



Estes Park • Fort Collins • Longmont • Loveland

## Board of directors regular meeting

2000 E. Horsetooth Road, Fort Collins, CO 80525  
Thursday, Feb. 29, 2024, 9 a.m.

### Call to order

1. Consent agenda *Motion to approve*
  - a. Minutes of the regular meeting of Dec. 7, 2023
  - b. Incorporation into record of resolution 12-23: 2024 board of directors regular meeting schedule
  - c. Transfer of 2023 capital budget carryover to 2024 Strategic Budget

### Public comment

### Annual meeting

2. Platte River Power Authority annual meeting
  - a. Annual election of officers *Resolution 01-24*
  - b. Annual Defined Benefit Plan committee appointments *Resolution 02-24*
  - c. 2023 Platte River year in review

### Management presentations

3. Black Hollow Solar interconnection update
4. Existing combustion turbine upgrade
5. Community engagement timeline

### Management reports

6. Resource adequacy report preview – informational purposes only
7. Budget contingency process
8. General manager annual review process

### Monthly informational reports - January

9. Q4 performance dashboard
10. Legal, environmental and compliance report
11. Resource diversification report
12. Operating report
13. Financial report
14. General management report

### Strategic discussions

### Adjournment





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## 2024 board meeting planning calendar

Updated Feb. 21, 2024

### March 28, 2024

Board action items	Management presentations	Management reports	Monthly informational reports
General manager annual review	Resource adequacy annual report	Draft 2024 Integrated Resource Plan	Legal, environmental and compliance report
Board contingency – consent agenda			Resource diversification report
			Operating report
<b>Committee report</b>			Financial report
Defined Benefit committee report			General management report

### April 25, 2024

Board action items	Management presentations	Management reports	Monthly informational reports
2023 FORVIS financial audit report	Draft 2024 Integrated Resource Plan	Wholesale rate projections	Q1 performance dashboard
Acceptance of 2023 annual report		Water resources reference document (updated version)	Legal, environmental and compliance report
		Joint Compensation Study update – informational purposes only	Resource diversification report
			Operating report
			Financial report
			General management report

**May 30, 2024****Defined Benefit Plan committee meeting**

Board action items	Management presentations	Management reports	Monthly informational reports
Revision to wholesale transmission service (Tariff WT-25)	Average wholesale rate projections and 2025 tariff schedule charges	Fiber management intergovernmental agreement amendment	Legal, environmental and compliance report
2024 Integrated Resource Plan	Legislative session update		Resource diversification report
			Operating report
			Financial report
			General management report

**June 7-12, 2024**

APPA National Conference (San Diego, CA)

**July 25, 2024**

Board action items	Management presentations	Management reports	Monthly informational reports
	Fiber management intergovernmental agreement amendment	Legislative session recap	Q2 performance dashboard
			Legal, environmental and compliance report
			Resource diversification report
			Operating report
<b>Committee report</b>			Financial report
Defined Benefit committee report			General management report

**Aug. 29, 2024****Defined Benefit Plan committee meeting**

Board action items	Management presentations	Management reports	Monthly informational reports
Fiber management intergovernmental agreement amendment			Legal, environmental and compliance report
			Resource diversification report
			Operating report
			Financial report
			General management report

**Sept. 26, 2024**

Board action items	Management presentations	Management reports	Monthly informational reports
	2025 proposed strategic budget work session	Staffing update (memo only)	Legal, environmental and compliance report
	2025 rate tariff schedules		Resource diversification report
			Operating report
<b>Committee report</b>			Financial report
Defined Benefit committee report			General management report

Oct. 31, 2024

Defined Benefit Plan committee meeting

Board action items	Management presentations	Management reports	Monthly informational reports
2024 FORVIS financial audit plan	2025 proposed strategic budget update – public hearing		Q3 performance dashboard
2025 rate tariff schedules			Legal, environmental and compliance report
			Resource diversification report
			Operating report
			Financial report
			General management report

November 2024

No board of directors meeting

Dec. 12, 2024

Board action items	Management presentations	Management reports	Monthly informational reports
2024 budget contingency appropriation transfer (if required)		Benefits update (memo only)	Legal, environmental and compliance report
2025 Strategic Budget review and adoption			Resource diversification report
2025 proposed board of directors regular meeting schedule			Operating report
			Financial report
Committee report			General management report
Defined Benefit committee report			

Topics to be scheduled:

- 

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





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## 2024 board of directors

### Owner communities

### Term expiration

#### Town of Estes Park

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

Mayor Wendy Koenig

April 2024

Reuben Bergsten—Chair, Board of Directors

December 2024

#### City of Fort Collins

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

Mayor Jeni Arndt

January 2026

Tyler Marr

December 2027

#### City of Longmont

350 Kimbark Street, Longmont, Colorado 80501

Mayor Joan Peck

November 2025

David Hornbacher

December 2026

#### City of Loveland

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

Mayor Jacki Marsh

November 2025

Kevin Gertig—Vice Chair, Board of Directors

December 2025





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## Our vision

To be a respected leader and responsible power provider improving the region's quality of life through a more efficient and sustainable energy future.

## Our mission

While driving utility innovation, Platte River will safely provide reliable, environmentally responsible and financially sustainable energy and services to the owner communities of Estes Park, Fort Collins, Longmont and Loveland.

## Our values

### **Safety**

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

### **Integrity**

We will conduct business equitably, transparently and ethically while complying fully with all regulatory requirements.

### **Service**

As a respected leader and responsible energy partner, we will empower our employees to provide energy and superior services to our owner communities.

### **Respect**

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

### **Operational excellence**

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

### **Sustainability**

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

### **Innovation**

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





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## Memorandum

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**Date:** 2/21/2024

**To:** Board of directors

**From:** Jason Frisbie, general manager and chief executive officer  
Angela Walsh, executive director of board and administration

**Subject:** Consent agenda – February

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

### Attachments

- Minutes of the regular meeting of Dec. 7, 2023
- Incorporation into record of resolution 12-23: 2024 board of directors regular meeting schedule
- Transfer of 2023 capital budget carryover to 2024 Strategic Budget





## Regular meeting minutes of the board of directors

2000 E. Horsetooth Road, Fort Collins, CO  
Thursday, Dec. 7, 2023

### Attendance

#### Board members

Representing Estes Park: Mayor Wendy Koenig and Reuben Bergsten  
Representing Fort Collins: Mayor Jeni Arndt and Kendall Minor  
Representing Longmont: Mayor Joan Peck and David Hornbacher  
Representing Loveland: Mayor Jacki Marsh and Kevin Gertig<sup>1</sup>

#### Platte River staff

Jason Frisbie (general manager/CEO)  
Sarah Leonard (general counsel)  
Dave Smalley (chief financial officer and deputy general manager)  
Melie Vincent (chief operating officer)  
Raj Singam Setti (chief transition and integration officer)  
Eddie Gutiérrez (chief strategy officer)  
Angela Walsh (executive assistant/board secretary)  
Esther Velasquez (sr. executive assistant)  
Josh Pinsky (IT service desk technician II)  
Shelley Nywall (director of finance)  
Jason Harris (senior manager, financial reporting and budget)  
Javier Camacho (director of public and external affairs, strategic communications and social marketing)  
Kendal Perez (strategic communications and community relations manager)  
Leigh Gibson (senior external affairs specialist)  
Jennifer Hammitt (director of legal affairs)  
Heather Banks (fuels and water manager)  
Travis Hunter (director of power generation)  
Libby Clark (director of human resources and safety)  
Staci Sears (human resources manager)  
Maia Jackson (senior communications and marketing specialist)  
Julie Depperman (director of treasury services)

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<sup>1</sup> Dismissed self at 12:03pm

## Guests

Carrie Hackenberger (Husch Blackwell Strategies)

## Call to order

Chair Bergsten called the meeting to order at 9:02 a.m. A quorum of board members was present via roll call. The meeting, having been duly convened, proceeded with the business on the agenda. Jason Frisbie, general manager and chief executive officer, offered the board gifts to kick off celebrations in 2024 for the 40<sup>th</sup> anniversary of Rawhide Unit 1 and reminded the board of the Holiday Employee Appreciation Party that will conclude the Platte River 50<sup>th</sup> anniversary celebrations. Director Arndt provided a summary of the COP28 conference she recently attended with Raj Singam Setti, chief transition and integration officer, in Dubai. Mr. Singam Setti provided a technical summary of what was discussed during the conference. Chair Bergsten thanked Director Arndt for inviting a Platte River staff member to attend and for representing Platte River.

## Action items

### 1. Consent Agenda

- a. Approval of the regular meeting minutes of Oct. 26, 2023
- b. Resolution 12-23: 2024 proposed board of directors regular meeting schedule
- c. Resolution 13-23: Strategic Financial Plan revision

Director Koenig moved to approve the consent agenda as presented. Director Hornbacher seconded. The motion carried 8-0.

## Public comment

Chair Bergsten opened the public comment section by reading instructions, noting that time to accommodate each speaker would be divided equitably by the number of in-person members of the public and callers wishing to speak at the start of public comment. Two members of the public addressed the board.

## Committee report

### 2. Defined Benefit Plan committee report (presenter: committee chair Dave Hornbacher)

Committee Chair Dave Hornbacher provided the Defined Benefit Plan committee report from the Oct. 26, 2023, meeting.

Committee Chair Hornbacher explained the plan's investment consultant, Northern Trust, reported on the plan's performance for the September quarter, noting that assets decreased \$2.8 million, as

negative market returns and benefit payments exceeded contributions. Year-to-date through September, the portfolio returned 2% while the plan's benchmark increased 6%. The Plan's underperformance is the result of the portfolio's exposure to low-volatility, high-quality equities. Northern Trust explained the low-volatility strategies give the portfolio downside protection during turbulent markets, but lag market returns when riskier equity strategies are in favor. The Plan's target annual return is 7.5%.

Northern Trust also provided a summary of the firm's five-year market outlook, adding the firm anticipates low but positive returns for fixed income and moderate returns for equities and real assets. The committee approved slight modifications to the asset allocations in the investment policy statement.

Platte River staff presented a plan amendment to clarify the definitions of compensation and final average monthly compensation and remove outdated language; update references to the required minimum distribution age as described in Secure Act 2.0; and clarify the calculation of the maximum amount of benefits. The committee approved the plan amendments and submitted the amendments for the board to adopt. Staff will present resolution 14-23 under board action items.

Committee Chair Hornbacher stated the next committee meeting is scheduled for Feb. 29, 2024.

## **Board action items**

### **3. Defined Benefit Plan amendment (presenter: Dave Smalley)**

Dave Smalley, chief financial officer and deputy general manager, discussed the process to review both retirement plans to ensure compliance with current law and United States Internal Revenue Service regulations. He stated outside pension counsel from Reinhart Boerner Van Deuren thoroughly reviewed plan documents and recommended the attached amendments to implement the outlined modifications. Mr. Smalley summarized the proposed revisions to both the Defined Benefit Plan, which closed to new employees in 2010, and the Defined Contribution Plan.

Director Peck moved to approve Resolution 14-23: Defined Benefit Plan amendment as presented. Director Gertig seconded. The motion carried 8-0.

### **4. Defined Contribution Plan amendment (presenter: Dave Smalley)**

Director Arndt moved to approve Resolution 15-23: Defined Contribution Plan amendment as presented. Director Marsh seconded. The motion carried 8-0.

### **5. 2023 Budget contingency appropriation transfer (presenter: Shelley Nywall)**

Shelley Nywall, director of finance, provided an overview of how Platte River uses budget contingency appropriation transfers and explained how funds will be used to close out 2023.

Director Hornbacher moved to approve Resolution 16-23: 2023 Budget contingency appropriation transfer as presented. Director Koenig seconded. Chair Bergsten suggested Platte River eliminate the

year-end budget contingency appropriation transfer, given the budget contingency is already approved through the regular budget approval process. Ms. Nywall responded that this process is an internal process to support transparency and awareness for the board and agreed to review potential changes to the process. Mr. Frisbie added that it is a normal part of business with formality at the end of the year but agreed the process could be simplified with separate board approval.

The motion carried 8-0.

## **6. 2024 Strategic Budget review and adoption (presenter: Shelley Nywall)**

Ms. Nywall reviewed the changes made to the budget since the public hearing in October along with year-to-date financial results and highlights of the 2024 Strategic Budget. Staff recommended the board adopt the budget as presented.

Director Hornbacher moved to approve Resolution 17-23: 2024 Strategic Budget review and adoption as presented. Director Minor seconded. The motion carried 8-0.

## **Management presentations**

### **7. SPP RTO West update (presenter: Melie Vincent)**

Melie Vincent, chief operating officer, provided an overview of the Southwest Power Pool Regional Transmission Organization West (SPP RTO West) including the benefits and requirements for participation and recent developments. She described the steering committee's efforts to ensure Platte River is ready to join by April 2026.

Director Gertig asked if renewable energy metrics will be made available through RTO West. Ms. Vincent confirmed the metrics will be available and noted the steering committee is also asking for metrics showing the economics behind how resources are dispatched, the carbon intensity, megawatt hours (MWh) of renewables online at the time of dispatch. Director Arndt asked if companies could join SPP RTO West if they do not have dispatchable resources. Ms. Vincent responded they could through virtual trades to support day-ahead pricing, but load-serving entities must meet resource adequacy requirements. Discussion ensued among directors and staff on resource adequacy, price spiking, price caps for MWh in other markets and firm gas supply.

Ms. Vincent took time to recognize Carol Ballentine, director of power markets, for preparing Platte River to enter into organized markets and congratulated Ms. Ballantine on her retirement at the end of December.

### **8. Rawhide Transition Plan (presenter: Travis Hunter)**

Travis Hunter, director of power generation, reviewed the Just Transition Plan framework, focused on retaining and empowering employees as Platte River shifts away from coal generation at the Rawhide

Energy Station. Mr. Hunter summarized the six key principles in the board resolution (approved in 2020) outlining the framework for a responsible transition.

Chair Bergsten asked if contractor personnel are internal or external contractors. Mr. Hunter confirmed external contractors are used to fill in gaps for now, but Rawhide is working with human resources to hire internal staff as contractors. He added that Platte River will evaluate whether vacant positions should be refilled or reallocated to another area.

Director Arndt asked how many employees currently work at Rawhide. Mr. Hunter responded about 89 employees currently work at the energy station. Director Arndt appreciated the presentation and commented on visiting plants around Colorado, meeting the employees and hoping they are taken care of through all transitions across the state. Mr. Hunter noted staff had reviewed the Just Transition Plans for Xcel Energy and Tri-State Generation and Transmission Cooperative, adding that Platte River's will be different. Chair Bergsten thanked the staff for working on the Rawhide Just Transition Plan.

Break 10:28-10:39

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

Mr. Singam Setti reviewed the current Resource Diversification Policy, the progress made between 2018 and 2022 and activities during 2023, which included the review of over 71 responses for all-renewable resource request for proposals (RFPs). The 71 responses included six energy storage responses and 13 wind energy responses. He also outlined the areas of focus for 2024 and beyond.

Director Peck asked the board to consider making a statement to support staff issuing an all-source RFP. Mr. Singam Setti clarified an all-source RFP should be split into two buckets: an all-renewable resource RFP (solar, wind and storage) and an all-dispatchable resource RFP to support system reliability. Director Minor asked for Mr. Singam Setti to explain what an all-dispatchable resource RFP would look like. Mr. Singam Setti explained that the all-dispatchable resource RFP would have clear parameters on what is needed, including support for carbon-free resources, minimum MWhs required through to 2040, locations needed, interconnection requirements and permitting. Chair Bergsten stated that the planning focus is on renewables and communications out to the owner communities need to highlight that. Director Koenig commented on the letters the board has received. Mr. Frisbie noted communication efforts working with the owner communities and city councils. Discussion ensued among directors and staff on how to communicate with the owner communities to enhance their understanding of Platte River's carbon reduction efforts while maintaining the three organizational pillars, and how feasible it is to rely on emerging technologies to solve the operational and economic challenges of reaching a 100% noncarbon resource portfolio.

Directors and staff continued to discuss how to communicate the Platte River story and all the ongoing activities of Platte River and the four owner communities to reach their 2030 goals.

Directors requested more information on the power supply agreements' cap on self-generation.

## **10. Legislative preview (presenter: Javier Camacho)**

Javier Camacho, director of public and external affairs, strategic communications and social marketing, previewed the upcoming legislative session for 2024.

Director Peck asked about the gas and oil industry requesting a ballot measure to remove all Environmental Protection Agency regulations in Colorado. Mr. Camacho responded that he was not aware of that and would look into it for Director Peck. Carrie Hackenberger, Husch Blackwell Strategies, attending online, was able to provide insights for oil and gas industry groups putting together ballot initiatives specific to consumer choice energy. Sarah Leonard, general counsel, added that the State of Colorado would not be able to override federal requirements. Chair Bergsten commented on grant work and increasing the visibility of Platte River to help with grants.

## **11. Windy Gap request for proposal recap (presenter: Heather Banks)**

Heather Banks, senior manager fuels and water, reviewed the current RFP process of offering five unfirmed Windy Gap units and discussed the high-level results in three transactions. Mr. Frisbie and Ms. Banks confirmed that after these transactions are final Platte River will have sold 55 of the 60 unfirmed units the board authorized Platte River to sell in 2016.

## **Management reports**

### **12. 2024 Integrated Resource Plan community outreach recap**

Eddie Gutierrez, chief strategy officer, summarized the planning process for continued community engagement in the first quarter in 2024.

### **13. Benefits update**

Libby Clark, director of human resources and safety, discussed the memorandum outlining the details of Platte River's total rewards strategy for employee benefits and the changes going into 2024. Chair Bergsten commented that cost increases within the owner communities and municipalities are similar to Platte River's increases.

## **Monthly informational reports for October**

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

Ms. Leonard highlighted the SPP RTO West activities on the legal front. She discussed the legal department's new hire, Ash Mayfield, senior counsel of markets, coming to Platte River with experience

working in markets. Chair Bergsten thanked Ms. Leonard for her time spent working with the city attorneys on a new project.

#### **15. Resource diversification report (presenter: Raj Singam Setti)**

Mr. Singam Setti pointed out that most of the information was covered in previous presentations. Chair Bergsten returned to the question asked by staff about whether changes or updates need to be made to the Resource Diversification Policy. Board members agreed that no changes are necessary at this time.

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

Ms. Vincent highlighted operating results for October and year to date. In October, the overall net variable cost to serve owner community load was above budget due to below-budget surplus sales volume, slightly offset by higher sales prices on surplus sales. She pointed out the mild weather during the month lowered energy sales. This affected net variable cost to serve owner community load, but, year to date, the net variable cost is still below budget because of advantageous summer sales contracts.

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

Mr. Smalley highlighted favorable results for October and year to date. Change in net position was at budget for October while year to date, net position remains above budget by \$14.6 million. This reflects below-budget operating expenses and above-budget unrealized gains on interest income on investments, partially offset by below-budget revenues. Operating expenses were slightly above budget offset by non-operating revenues driven by fair value investment increases.

#### **18. General management report (presenter: Jason Frisbie)**

Mr. Frisbie highlighted the AA credit rating Fitch Ratings reaffirmed after conducting its annual surveillance of Platte River. He thanked the finance department for the work on the Strategic Budget and the human resources department for evaluating medical and dental costs.

### **Roundtable and strategic discussion topics**

Directors provided updates from their individual communities.

## Adjournment

With no further business, the meeting adjourned at 12:25 p.m. The next regular board meeting is scheduled for Thursday, Feb. 29, 2024, at 9:00 a.m. virtually and at Platte River Power Authority, 2000 E. Horsetooth Road, Fort Collins, Colorado.

AS WITNESS, I have executed my name as Secretary and have affixed the corporate seal of the Platte River Power Authority this \_\_\_\_\_ day of \_\_\_\_\_, 2024.

\_\_\_\_\_  
Secretary



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## Memorandum

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**Date:** 2/21/2024

**To:** Board of directors

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

**Subject:** Incorporation into record of Resolution No. 12-23

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Colorado law, CRS § 24-6-402(2)(c), specifically requires that the place for the posting of a local public body's meeting notices be established each year during the first meeting of its governing body. The Platte River Power Authority Board of Directors' practice is to approve the regular meeting schedule for the upcoming year and the place for posting notices at the last meeting of the then-current year and to include the following provision in the resolution (see attached Resolution No. 12-23, approved by the board on Dec. 7, 2023):

For purposes of CRS § 24-6-402(2)(c), this action is deemed to have occurred at the first regular meeting of the board of directors in calendar year 2024 and will be incorporated into the records of this meeting.

The purpose of this consent agenda item is to comply with the language of the above-quoted resolution by incorporating the regular meeting schedule of the board of directors for 2024 and the location for the posting of notices of meetings into the record of the first regular meeting of 2024.

### Attachment

- Resolution 12-23: 2024 board of directors regular meeting schedule



**RESOLUTION NO. 12-23**

The board of directors (board) of Platte River Power Authority (Platte River) hereby resolves that:

1. Unless otherwise directed by the board, the board's annual meeting and regular meetings during calendar year 2024 will be held at 9:00 a.m. local time in Platte River's boardroom, 2000 East Horsetooth Road, Fort Collins, Colorado, or virtually, according to the following schedule:

February 29 – annual meeting	August 29
March 28	September 26
April 25	October 31
May 30	December 12
July 25	

2. Board meetings are open to the public. The secretary is authorized and directed to post at the place designated below and to publish in newspapers of general circulation in Estes Park, Fort Collins, Longmont and Loveland full and timely notice of this meeting schedule.
3. The designated place for posting of notices of board meetings is Platte River's public website, [www.prpa.org](http://www.prpa.org), on the page specific to the board. For purposes of C.R.S. § 24-6-402(2)(c)(I), this action is deemed to have occurred at the board's first regular meeting in calendar year 2024 and will be incorporated into the record of that meeting.

AS WITNESS, I have executed my name as secretary and have affixed the corporate seal of the Platte River Power Authority this 7th day of December, 2023.

  
Secretary

Adopted: 12.07.2023  
Vote: 8-0







# Platte River Power Authority

Estes Park • Fort Collins • Longmont • Loveland

## Memorandum

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**Date:** 2/21/2024

**To:** Board of directors

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

**Subject:** **Transfer of 2023 capital budget carryover to 2024 budget**

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Throughout the year, staff provides the board with monthly reports on anticipated budget variances, potential contingency requests and expected amounts to be carried over into the following year. Capital expenditures at the end of 2023 were \$16.8 million below budget. Staff requests \$14.0 million be carried over to the 2024 budget. No contingency transfer is needed due to project scope changes and cancellations.

State budget law provides for carryover of unspent budget funds. Although changes in spending for some projects can be determined early enough in the year to allow for re-budgeting in the subsequent year, staff prefers the carryover process. The carryover process provides better project accountability and transparency, and it supports consistent budget reporting and processes.

- Funds have been appropriated for the project and will remain with the project until complete. This does not free up funds for over-budget or unplanned projects. Over-budget and unplanned projects go through an approval process and may require a transfer of contingency funds.
- When projects go through the carryover process, it provides greater transparency for project planning evaluation and requires project managers to provide justification and ensures accountability.
- In most cases, actual amounts that need to be carried over to start or complete a project are not known until late in the year. This makes it infeasible to re-budget, as there is not enough time to capture the amount in next year's budget.

- Projects are often planned far in advance in the annual budget process, when project cost estimates and timing are uncertain, and may not be executed in a single budget year. Further, large multi-year projects have variability from year to year so will often require carryover funds.
- The carryover process also makes a clear distinction between canceled projects versus projects that still require funds but are delayed, which is important for cash flow planning.

While project managers provide revisions throughout the year on projected carryovers, in the year-end process the project manager provides justification for the carryover funds and obtains approval from the senior leader and general manager, and final approval from the board. During this process, projects are evaluated in conjunction with the current year's budgeted projects to re-evaluate priorities and feasibility of all planned projects.

Platte River has consistently made progress in planning and executing projects. While there is still progress to be made, project managers are changing their mindset towards project planning and greater use of resource allocation tools to more accurately determine project requests.

Resolution No. 17-23, adoption of the 2024 Strategic Budget, authorizes the unexpended balance of funds for 2023 capital additions to be carried over to the 2024 Strategic Budget. Staff requests a carryover amount of \$13,988,064.

Seven significant projects represent approximately 71% of the carryover amount. The largest contributing factor to project carryovers is supply chain issues; second is multi-year projects with timing uncertainty. There are also projects experiencing vendor and third-party delays. Other projects were slated for carryover during the year due to staff and vendor resource availability, priority shifts and changes in overall project schedules for various reasons. A few of the projects requesting carryover were close to completion by year end and are now in final stages. The December financial report details the majority of the projects, along with brief descriptions of delays and carryover justifications. A complete list of the projects and amounts requiring carryover to 2024 is attached and categorized by the general reason for carryover.

The final capital budget for 2024 is as follows.

\$ 39,243,003	Original 2024 capital budget
<u>13,988,064</u>	Capital carryover requests
\$ 53,231,067	Final 2024 capital budget

Staff will be available at the February board meeting to answer questions.

## Attachment

- Carryover summary

## Platte River Power Authority

	Carryover amount	% of total amount
<b>2023 to 2024 capital carryover projects</b>		
<b>Supply chain issues</b>	<b>\$ 5,915,393</b>	<b>42.3%</b>
Solar substation 230 kV - Severance Substation*	3,587,639	
Fiber optic OPGW installation - Long Haul East (Timberline to Harmony)*	785,954	
Transformer T3 replacement - Timberline Substation *	542,795	
Mechanical system redundancy - headquarters	280,000	
Switch and CVT replacements - Timberline Substation	210,707	
Switchgear replacement - Soldier Canyon Pump Station	209,084	
HVAC replacements - microwave communications building	109,711	
Switch 2089 replacement - Boyd Substation	108,294	
Transformer T1 replacement - Longs Peak Substation	81,209	
<b>Multi-year project with timing uncertainty</b>	<b>\$ 4,104,957</b>	<b>29.3%</b>
SCADA and energy management system*	1,124,911	
Enterprise resource planning software*	1,083,895	
Pipeline reroute - Rawhide pipeline*	971,753	
115 kV transmission line replacement - Drake transmission line	223,617	
Dust collection system replacement - crusher building	221,934	
Dust collection system replacement - coal transfer building	190,554	
Transmission line vault upgrades - Rogers Road Substation	150,552	
Remote terminal unit replacement - Rogers Road Substation	46,623	
SONET communications system replacement	46,151	
Bently system upgrade - Rawhide	44,967	
<b>Vendor/third party delay</b>	<b>\$ 2,252,602</b>	<b>16.1%</b>
Relay panel and breaker replacements - Airport Substation*	1,827,101	
Fiber optic cable replacement - Fort Collins Riverside	152,667	
Telecom PBX replacement	96,395	
Relay upgrades - Marys Lake Substation	87,185	
Uninterruptible power supply system - headquarters warehouse	65,038	
Fiber optic patch panel replacement-Estes Park Substation	14,216	
Auto transfer switch (control building) - Rawhide Substation	10,000	
<b>Resource Availability/Priority Shifts**</b>	<b>\$ 1,637,007</b>	<b>11.7%</b>
Fiber optic cable replacement - Long Haul East (Fort Collins to Loveland)	403,789	
Compliance management software	348,467	
Wireless network replacement	345,000	
Simulator evergreen upgrade - Rawhide Unit 1	200,000	
Infrastructure automation	130,000	
Fiber optic expansion - Highway 34 to Crossroads Substation	113,340	
Fiber optic patch panel replacement - Valley Substation	23,497	
Network replacement - substations	18,554	
Fiber optic patch panel and lateral replacement - Crossroads Substation	16,655	
Fiber optic monitoring tool - Boyd Substation	12,668	
Pallet shelving - headquarters warehouse	10,000	
Sump pump addition - combustion turbine units A-D	10,000	
Fiber optic patch panel replacement - Horseshoe Substation	5,037	
<b>Substantially complete - final costs</b>	<b>\$ 78,105</b>	<b>0.6%</b>
Spray dry absorber direct lime injection	26,946	
Control system network switch and firewall replacement - Rawhide	25,000	
Fire protection system upgrade - combustion turbine Unit C	10,000	
Combustion component upgrade - combustion turbine Unit D	10,000	
Relay upgrades (T2) - Loveland East Substation	6,159	
<b>Total carryover</b>	<b>\$ 13,988,064</b>	<b>100%</b>

\*These projects comprise 71% of the total carryover amount.

\*\*Relates to internal and external resources (labor and materials).





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## Memorandum

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**Date:** 2/21/2024

**To:** Board of directors

**From:** Jason Frisbie, general manager and chief executive officer  
 Dave Smalley, chief financial officer and deputy general manager  
 Eddie Gutiérrez, chief strategy officer  
 Melie Vincent, chief operating officer, generation, transmission and markets  
 Raj Singam Setti, chief operating officer, innovation and sustainable resource integration  
 Sarah Leonard, general counsel

**Subject:** **Platte River Power Authority annual meeting**

---

Item two on the agenda is the annual meeting of Platte River Power Authority. Sections 2.3.7 and 2.4.1 of the Organic Contract Establishing Platte River (organic contract) require the board of directors to hold an annual meeting within the first 120 days in each year to elect officers, pass on reports for the preceding fiscal year, and transact other business that may come before the meeting. The first order of business under agenda item two is the election of officers to serve until the end of the next annual meeting. For ease of reference, the current officers are listed:

### 2023 Platte River Officers

**Elected Officers:**

Reuben Bergsten, Chair  
 Kevin Gertig, Vice Chair  
 Angela Walsh, Secretary  
 Dave Smalley, Treasurer  
 Jason Frisbie, General Manager/CEO

**Authorized Assistant Officers:**

Sarah Leonard, Assistant Secretary

The chair and vice chair are nominated to serve one-year terms as stipulated in the organic contract. The current board meeting governance document provides for a leadership team composed of the chair and vice-chair. In the discussion of the function of the leadership team the governance document states, “[h]istorically, the board has tried to rotate chair and vice chair responsibilities to provide opportunities for representatives from each of the owner communities to serve in leadership capacities.”

The officer positions that are filled by management staff are traditionally retained and reaffirmed solely for the purpose of meeting the requirements of the organic contract.

Officers are appointed through the attached resolution and the board chair will open the floor for nominations.

The second order of business is the appointment of directors and members of management to serve on Platte River's Defined Benefit Plan committee. For ease of reference, the current directors and management members are listed below.

## 2023 retirement committee members

### Director Members:

Reuben Bergsten  
Jeni Arndt  
David Hornbacher  
Jacki Marsh

### Management Members:

Jason Frisbie  
Dave Smalley

Again, the Defined Benefit Plan committee members are appointed by the attached resolution and the board chair will entertain nominations.

The last order of business under agenda item two is the "2023 Platte River year in review." The senior management team will present accomplishments for 2023. The 2023 year-end operating and financial reports are also attached.

## Attachments

- Resolution 01-24: Annual election of officers
- Resolution 02-24: Annual Defined Benefit Plan committee appointments
- 2023 year-end operating report
- 2023 year-end financial report

**RESOLUTION NO. 01-24**

Background

Section 2.4.1 of the Organic Contract requires the board of directors of Platte River Power Authority to elect its officers at each annual meeting.

Resolution

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

1. \_\_\_\_\_ is elected chair of Platte River Power Authority;
2. \_\_\_\_\_ is elected vice chair of Platte River Power Authority;
3. David Smalley is elected treasurer of Platte River Power Authority;
4. Angela Walsh is elected secretary of Platte River Power Authority, with Sarah Leonard appointed as assistant secretary; and
5. Jason Frisbie is elected general manager and chief executive officer of Platte River Power Authority.

The terms of all officers elected and appointed above begin at the conclusion of this meeting and will continue until the conclusion of the next annual board meeting, unless earlier terminated by board action.

The secretary is delegated the authority to authenticate the documents of Platte River.

AS WITNESS, I have signed my name as secretary and have affixed the corporate seal of the Platte River Power Authority this \_\_\_\_\_ day of \_\_\_\_\_, 2024.

\_\_\_\_\_

Secretary

Adopted:  
Vote:



**RESOLUTION NO. 02-24**

Background

A. The board of directors of Platte River Power Authority has established a Defined Benefit Plan Committee under the Platte River Defined Benefit Plan consisting of four directors and two members of management to administer the Platte River Defined Benefit Plan.

B. The director members of the Defined Benefit Plan Committee are appointed each year at the annual meeting.

Resolution

The board of directors of Platte River Power Authority therefore resolves that the following directors are appointed to serve on the Defined Benefit Plan Committee until the next annual meeting:

David Hornbacher,  
Jeni Arndt,  
Reuben Bergsten, and  
Jacki Marsh

and the board of directors acknowledges that the following members of management have been selected to serve on the Defined Benefit Plan Committee until the next annual meeting:

Jason Frisbie  
David Smalley

AS WITNESS, I have signed my name as secretary and have affixed the corporate seal of the Platte River Power Authority this \_\_\_\_\_ day of \_\_\_\_\_, 2024.

\_\_\_\_\_  
Secretary

Adopted:  
Vote:





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# 2023 operating report

**Annual Review**



## Executive Summary

Platte River entered the Southwest Power Pool's (SPP) Western Energy Imbalance Service (WEIS), on the evening of March 31, 2023. Platte River's transition into SPP WEIS was successful because of the collaboration and due diligence of Platte River employees including power markets staff, finance staff, SCADA staff, transmission staff, Rawhide engineering staff and Rawhide operations staff. Multiple projects were continued and completed in 2023 to meet the requirements of the real-time WEIS market, including the installation of individual meters on each of the combustion turbines (CTs), automatic dispatch control systems on all thermal resources, and the implementation of an energy management system (EMS) for market entry. The remainder of the EMS implementation is ongoing. Concurrently, power markets staff and finance staff collaborated on the continued deployment of an energy trading risk management system and bid-to-bill scheduling optimization to ensure reliable data communications and accurate settlements of energy market activities.

The energy marketing activity in 2023 was marked with change, as power markets became familiar with the units being dispatched differently, once in SPP WEIS. Rawhide Unit 1 was often economically dispatched to the minimum output of 80 megawatts. Weather was mild, throughout the region in 2023, with cooler temperatures in the summer and warmer temperatures in the winter months, with only a few snowy, cooler timeframes. Natural gas pricing was lower and more consistent than what was experienced in 2022. Overall purchased power volume was significantly above budget, due to the considerable amount of energy economically purchased through SPP WEIS. The SPP WEIS average purchased power pricing was significantly above budget, but below generation costs. 2023 experienced significantly higher costs of coal at Craig because Platte River reduced Trapper Mine production by approximately 30% due to the owner communities' needs being lower than originally budgeted. Mild weather throughout the year drove owner community demand and energy sales below budget. Above budget bilateral sales pricing and below budget coal generation fuel savings resulted in a below budget net variable cost to serve owner community load, in 2023.

Platte River resources performed well throughout the year. Wind and solar net capacity factor ended the year near budget, despite experiencing WEIS curtailments. Net capacity factor for Rawhide Unit 1 was significantly below budget, due to lower dispatch in the SPP WEIS. A contract was executed in 2023 resulting in favorable pricing for Rawhide's 2025 coal requirements. Net capacity factor for Craig Units 1 and 2 was significantly below budget, due to lower dispatch in the SPP WEIS. Craig Unit 2 tripped offline on Jan. 18 and stayed offline until the end of May, due to the decision to keep the unit offline until the spring outage. Net capacity factor for the combustion turbines was near budget.

Platte River's 2023 transmission service availability factor was 99.974%. In 2023, two system disturbances occurred resulting in two loss of load events for the Town of Estes Park. The Western Area Power Authority (WAPA) will install air flow spoilers in 2024 to mitigate line galloping and Platte River transmission power system operators (PSOs) coordinated with WAPA and Tri-state Generation & Transmission to revise the operating plan for Estes Park to enable faster restoration should the Town of Estes Park lose power prior to the installation of the air flow spoilers. Platte River further enhanced the reliability of the transmission system, in 2023, with the completion of scheduled transmission line maintenance and the completion of vegetation management activities.

## Variances

### December operational results

Owner community load	Budget	Actual	Variance	% variance	
Owner community demand	499 MW	453 MW	(46 MW)	(9.2%)	■
Owner community energy	291 GWh	270 GWh	(21 GWh)	(7.0%)	■
Net variable cost* to serve owner community energy	\$4.0M	\$5.0M	\$1.0M	(34.5%)	■
	\$13.60/MWh	\$18.28/MWh	(\$4.69/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	
Coal generation fuel savings	\$2.6M	Lower bilateral and market sales volume	(\$1.6M)
		Higher coal generation pricing	(\$.36M)
		Higher cost and volume market purchases	(\$.75M)

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

### YTD 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	\$42.8M	\$38.4M	\$4.4M	6.2%	●
	\$12.95/MWh	\$12.15/MWh	(\$0.81/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	
Coal generation fuel savings	\$23.8M	Higher market and bilateral purchases	(\$8.3M)
Higher bilateral sales prices	\$14.8M	Lower bilateral sales volume	(\$12.7M)
		Lower market sales volume	(\$8.5M)

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

# Loss of load

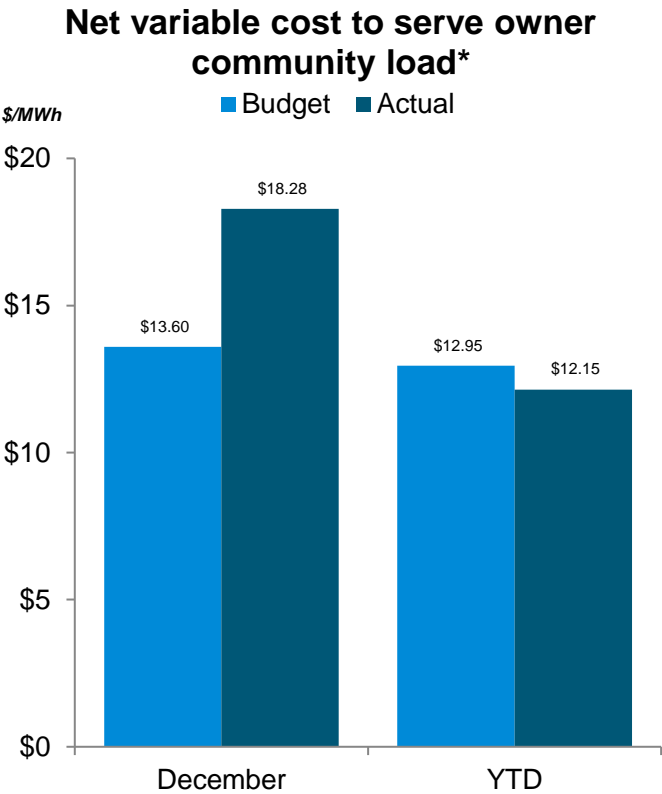
## System disturbances

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

**2023.** There were two system disturbances resulting in loss of load during 2023.

2023 goal	December actual	YTD total
0	0	2

# Net variable cost to serve owner community load



\* The net variable operating cost to serve owner community load is equal to the sum of fuel, renewable purchases, energy purchases less surplus energy sales. The net variable cost is divided by total owner community load to determine average net variable cost to serve owner community load.

## Events of significance

### Fuels and water

- Platte River locked in favorable pricing for all of Rawhide's 2025 coal requirements, removing variable of coal commodity pricing risk for 2025.
- Platte River issued a request for proposal 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.

### Power delivery

- Platte River's 2023 transmission service availability factor was 99.974%.
- In February, system operations completed its winter training cycle which included participating in SPP's restoration drills. Participants included transmission system operations personnel, employees from power markets, substation maintenance, telecom & fiber, Rawhide operations, and system engineering. Employees from all four owner communities also attended the restoration training sessions. 544 continuing education hours were awarded to NERC certified system operators for the training cycle.
- In November, transmission PSOs completed the fall training cycle. A total of 146 continuing education hours were earned by NERC-certified Platte River transmission and generation operators. Topics covered were three-part communications, power system restoration, disaster recovery center activation, Platte River's extreme weather procedure, other procedure updates, power system control functionality, and power system dynamics. Employees from operations technology, telecommunications, and engineering departments presented parts of the training.
- The rebuild project on WAPA's Lyons – Estes 115 kV and Flat Iron – Estes 115 kV lines was completed on Oct. 18, 2023. The completion of the project helps protect the Town of Estes Park against islanding like what was seen on March 30, 2023. However, the Estes Park blackout on Oct. 29, 2023, proved that further modifications to the lines are needed. WAPA received federal approval to begin the installation of airflow spoilers January 2024 with an anticipated completion date of Feb. 15, 2024.
- Platte River's transmission revenue for 2023 was \$9,352, 380. Of that, \$6,793, 929 was earned by serving Tri-State and PSCo load in the Platte River footprint. The additional \$2,558,451 was earned by selling Platte River's unused transmission capacity to third parties, most of which was due to increased use of the Ault- Craig and Craig- Bonanza paths which Platte River jointly owns.

## Power markets

- On Aug. 21, 2023, at hour ending 18:00, Platte River's 2023 peak was 680 megawatts, 21 MW above budget. Platte River's obligation at the time of peak totaled 885 MW. Demand response was called upon at the time of peak.
- Natural gas was pre-purchased daily for the months of January and February to allow for continued cold weather testing on the CTs. CT cold weather testing was first conducted in the winter of 2022 and produced valuable improvements in the reliability of the units.
- A cold weather event in late January resulted in an under delivery operational flow order on the natural gas transportation system, reducing gas delivered to the CTs. The event was managed successfully with sufficient resources to meet owner community loads.
- On March 31, 2023, at 11:00 pm, Platte River entered the SPP Western Energy Imbalance Market, sunsetting the joint dispatch agreement that served Platte River well for many years. Entry into the WEIS market was a relatively smooth transition.
- April was the first month operating in the SPP Western Energy Imbalance Services market. The larger footprint coupled with more renewables led to lower thermal resource output. Rawhide Unit 1 was dispatched down to the minimum output of 80 megawatts for much of the month. In addition, the larger volume of renewables resulted in more wind and solar curtailments than previously experienced.
- With the phenomenal water year experienced, WAPA had excess hydropower, in May, which was offered to the firm electric customers, increasing our summer allocations.
- Platte River notified Tri-State Generation and Transmission Association, Inc., in August, that the long-standing shaft share agreement which had been in place for nearly 20 years would not be renewed. The agreement will terminate on March 31, 2024.
- On Sept. 8, 2023, Western Area Power Administration (WAPA) announced three WAPA divisions (Upper Great Plains, Colorado River Storage Project and Rocky Mountain region) will pursue final negotiations towards full membership in the Southwest Power Pool Regional Transmission Organization West (RTOW). This will broaden the footprint in the RTO-West which Platte River will be joining on April 1, 2026.

## Power production

- Rawhide won the Coal Users Group plant of the year award.
- The CTs eclipsed the previous January CT generation record of 8,779 MWh from January 2022, having produced 34,867 MWh of generation in January 2023.
- CT Unit F ran from Jan. 19 at 8:51 a.m. to Jan. 24 at 4:53 p.m. The five-day, eight hour and two-minute run was the longest continuous run of a CT in Rawhide CT unit history.
- All five CTs were run on both Jan. 3 and Jan. 4. This was only the second time in Rawhide CT unit history that all five CTs were run simultaneously, outside the months of June, July, August, and September.

- March 2023 saw the highest output from the CTs on record for the month of March with 10,301 MWh having been generated.
- On Oct. 10, Rawhide staff tripped Rawhide Unit 1 after a fire was discovered in the coal piping for coal mill 102. The buildings were evacuated until the emergency response team had the fire extinguished. Rawhide Unit 1 started up later that same afternoon. The investigation into the cause of the fire concluded and coal mill 102 was repaired and placed in service on Jan. 24, 2024.
- The capital project on CT Unit D was completed in November to replace combustion hardware. The new hardware has sequential fuel injection built into it which allows for different firing parameters, giving greater flexibility in unit turndown and will have lower emission levels.
- Rawhide Unit 1 was offline from 12/5 to 12/7 to repair a boiler tube leak. Rawhide also experienced several variable frequency drive power cell failures throughout the month. We continue to investigate the reason behind these failures.

## **System maintenance and facilities**

- In April, staff completed the underground cable replacement and termination repair on the Fordham – Fort St. Vrain transmission line, following the explosion caused by a terminal fault in January.
- In September, system maintenance completed all scheduled transmission line maintenance for 2023 on a combination of four 115-kv and 230-kv transmissions lines.
- In December, all transmission line vegetation management was completed for 2023.
- The installation and testing of a new T2 transformer replacement for the City of Loveland was also completed in December.

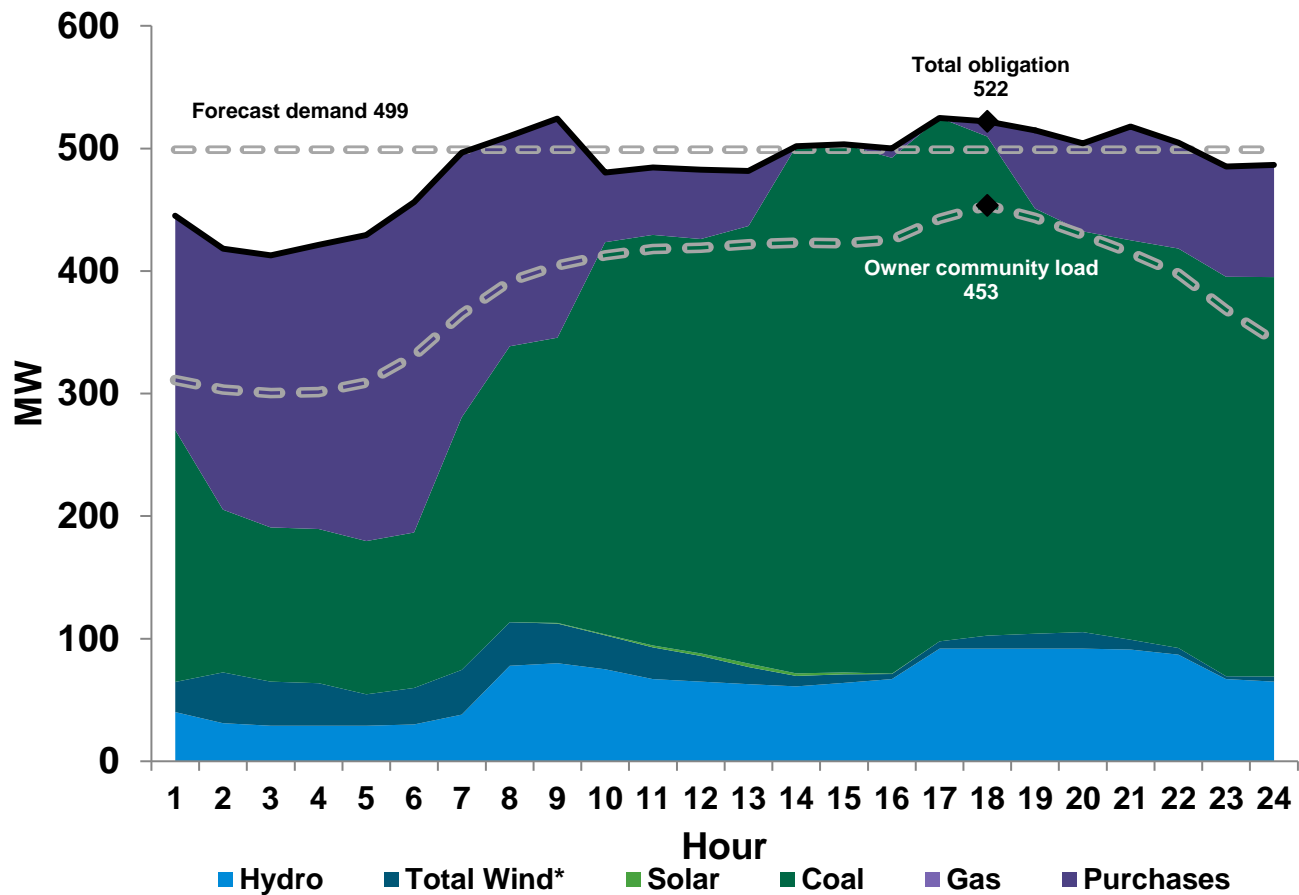
# Peak day

## Peak day obligation

**December.** Peak demand for the month was 453 megawatts which occurred on Dec. 12, 2023, at hour ending 18:00 and was 46 megawatts below budget. Platte River’s obligation at the time of the peak totaled 522 megawatts. Demand response was not called upon at the time of peak.

**2023.** Peak demand for the year was 680 megawatts on Aug. 21, 2023 at hour ending 18:00 and was 26 megawatts below Platte River’s all-time 2021 system peak. Platte River’s obligations at the time of the peak totaled 885 megawatts. Demand response was called upon at the time of peak.

### Peak day obligation: Dec. 12, 2023



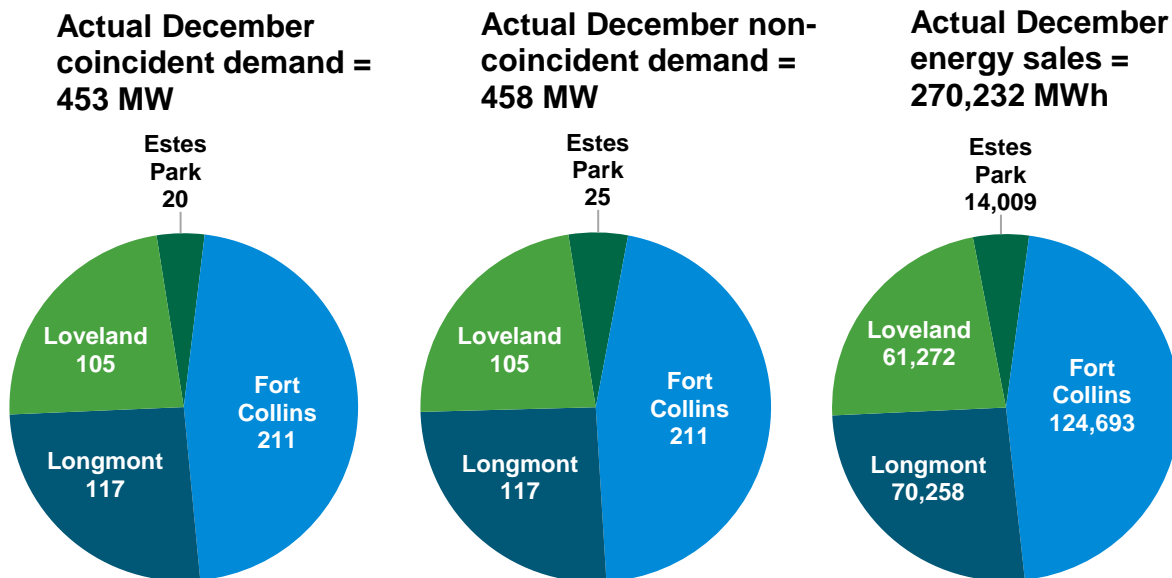
\* Some off-system wind renewable energy credits and associated energy have been sold to another utility and, therefore, cannot be claimed as a renewable resource by Platte River or its owner communities.

## Owner community loads

	Dec. budget	Dec. actual	Minimum	Actual variance	
<b>Coincident demand (MW)</b>	499	453	500	(9.2%)	■
Estes Park	25	<b>20</b>	13	(20.0%)	■
Fort Collins	233	211	<b>229</b>	(9.4%)	■
Longmont	128	117	<b>142</b>	(8.6%)	■
Loveland	113	105	<b>116</b>	(7.1%)	■
<b>Non-coincident demand (MW)</b>	504	458	508	(9.1%)	■
Estes Park	29	<b>25</b>	20	(13.8%)	■
Fort Collins	233	211	<b>229</b>	(9.4%)	■
Longmont	128	117	<b>142</b>	(8.6%)	■
Loveland	114	105	<b>117</b>	(7.9%)	■
<b>Energy sales (MWh)</b>	290,671	270,232		(7.0%)	■
Estes Park	14,976	14,009		(6.5%)	■
Fort Collins	136,815	124,693		(8.9%)	■
Longmont	74,324	70,258		(5.5%)	■
Loveland	64,556	61,272		(5.1%)	■

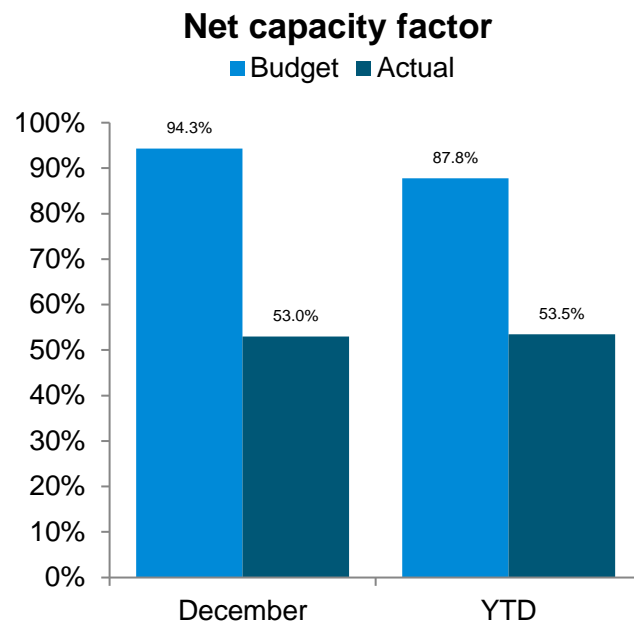
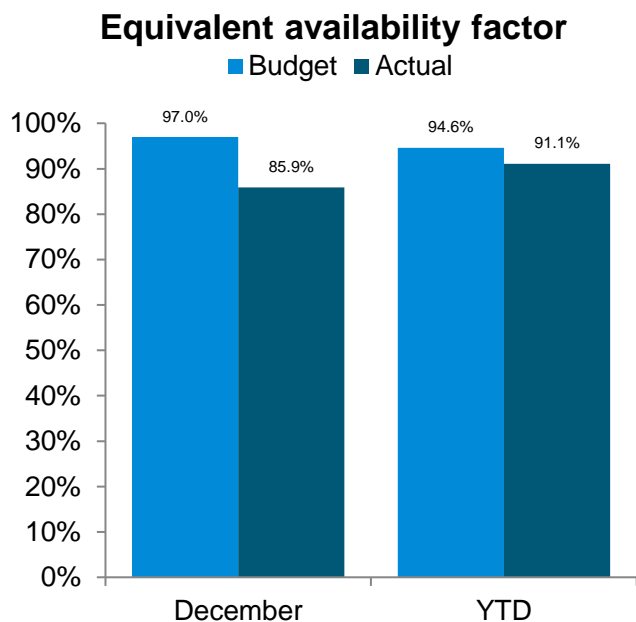
Variance key: Favorable: ● | Near budget: ◆ | Unfavorable: ■

**Note:** The bolded values above were those billed to the owner communities, based on the maximum of either the actual metered demand or the annual minimum ratchet.

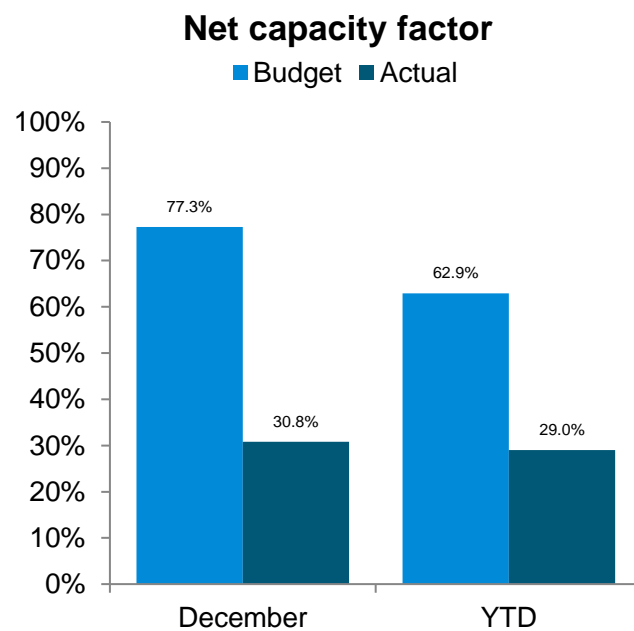
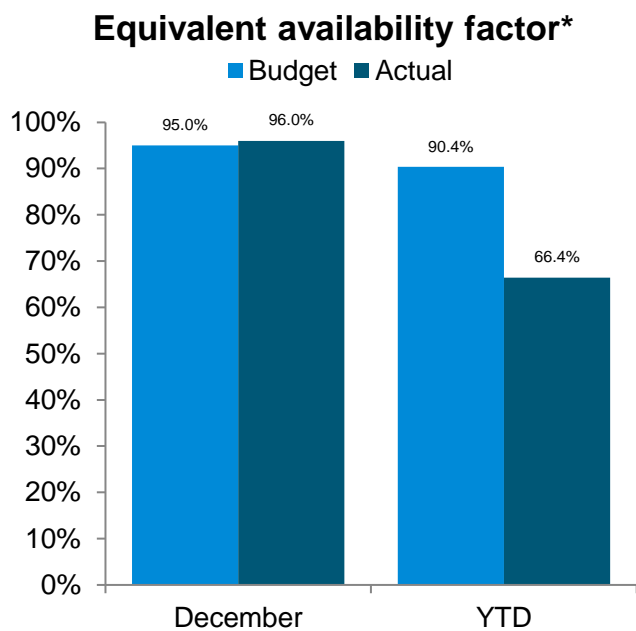


## Thermal resources

### Power generation - Rawhide

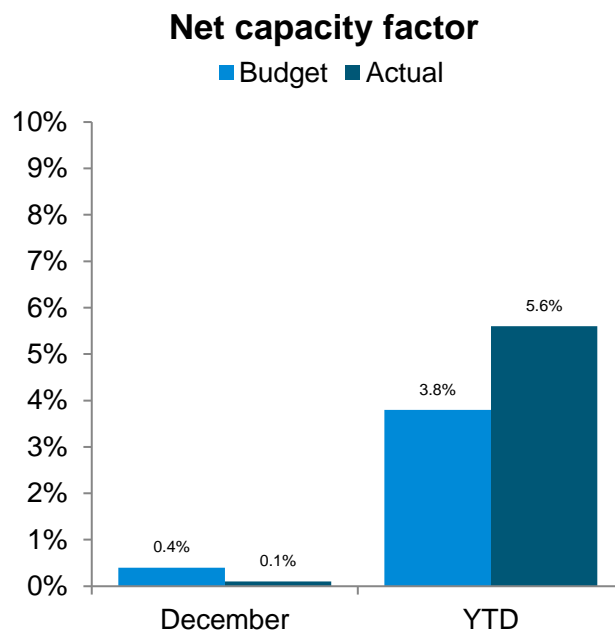
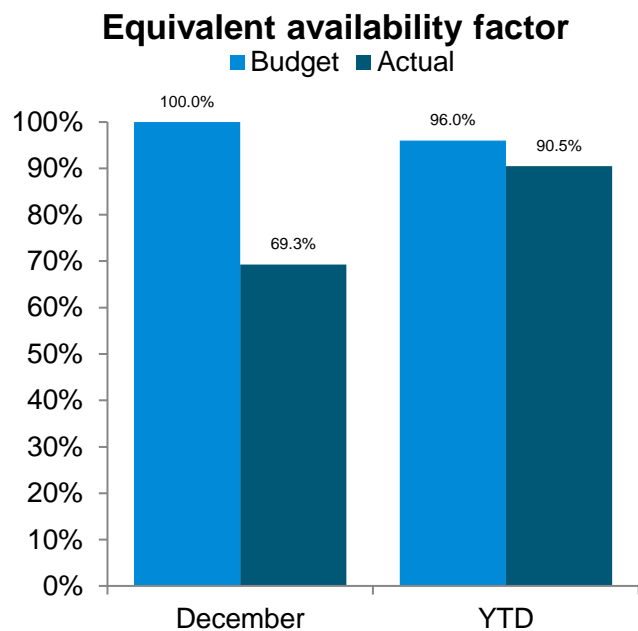


### Power generation - Craig



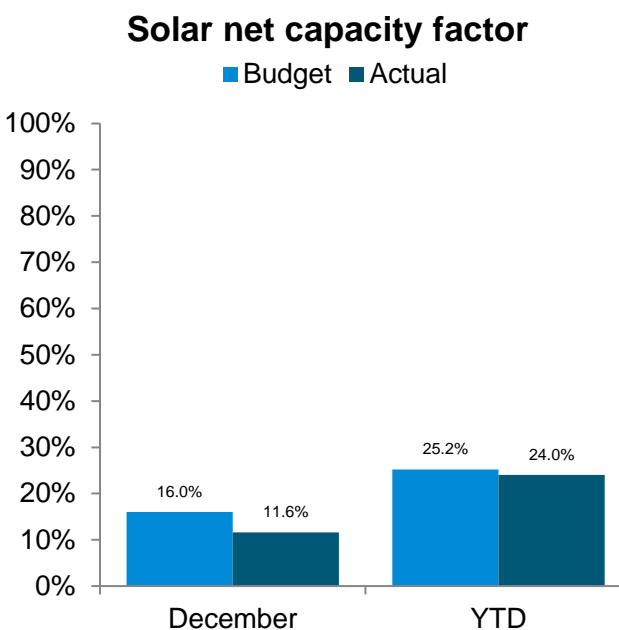
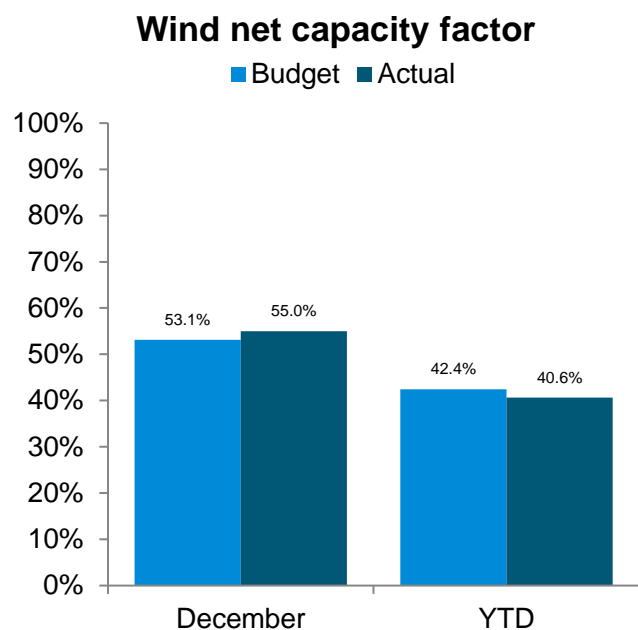
\* Estimated due to a delay of the actual results

## Power generation – combustion turbines

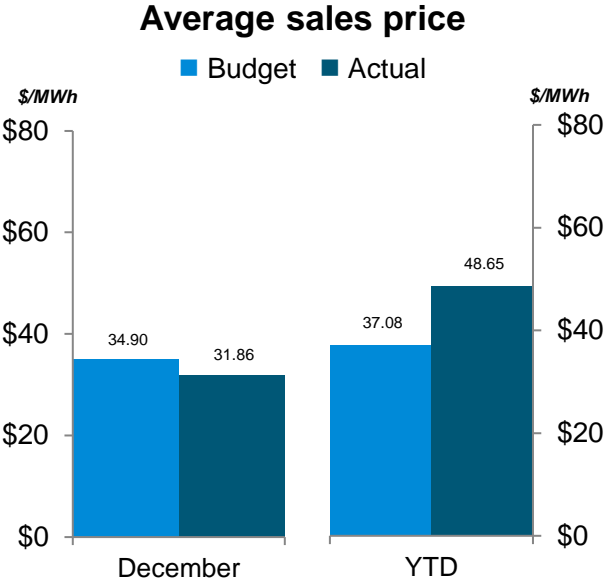
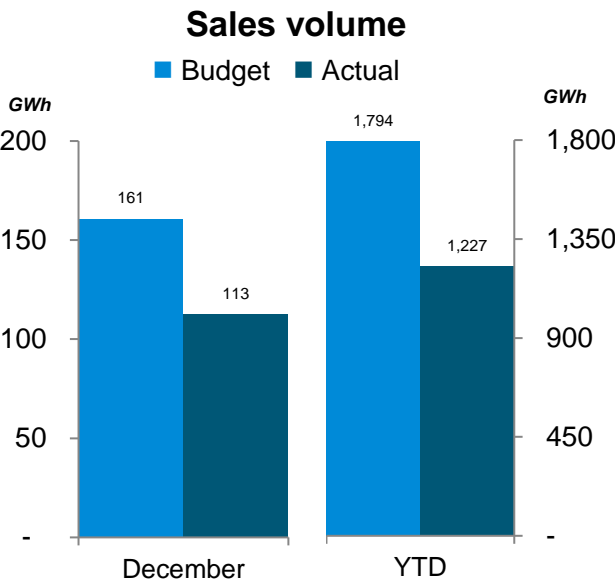


## Renewable resources

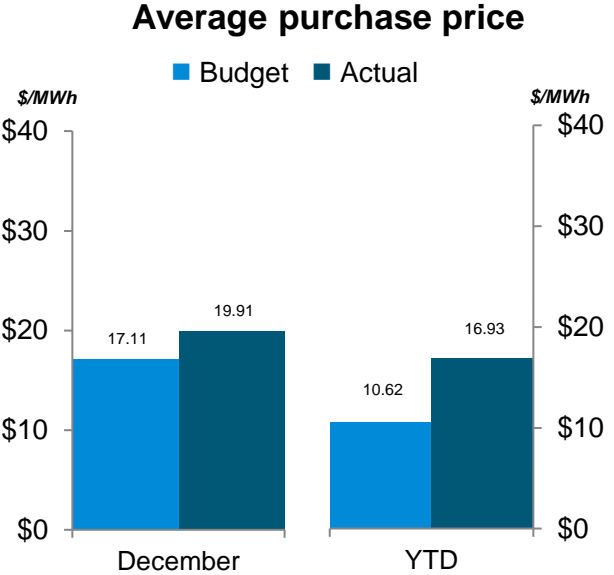
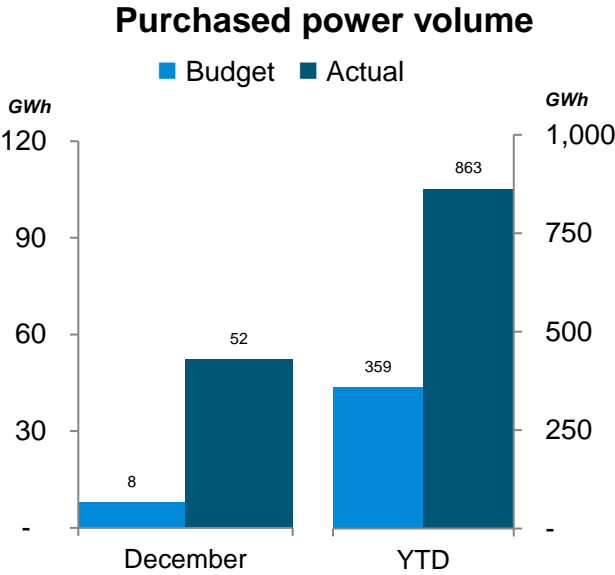
### Power generation – wind and solar production



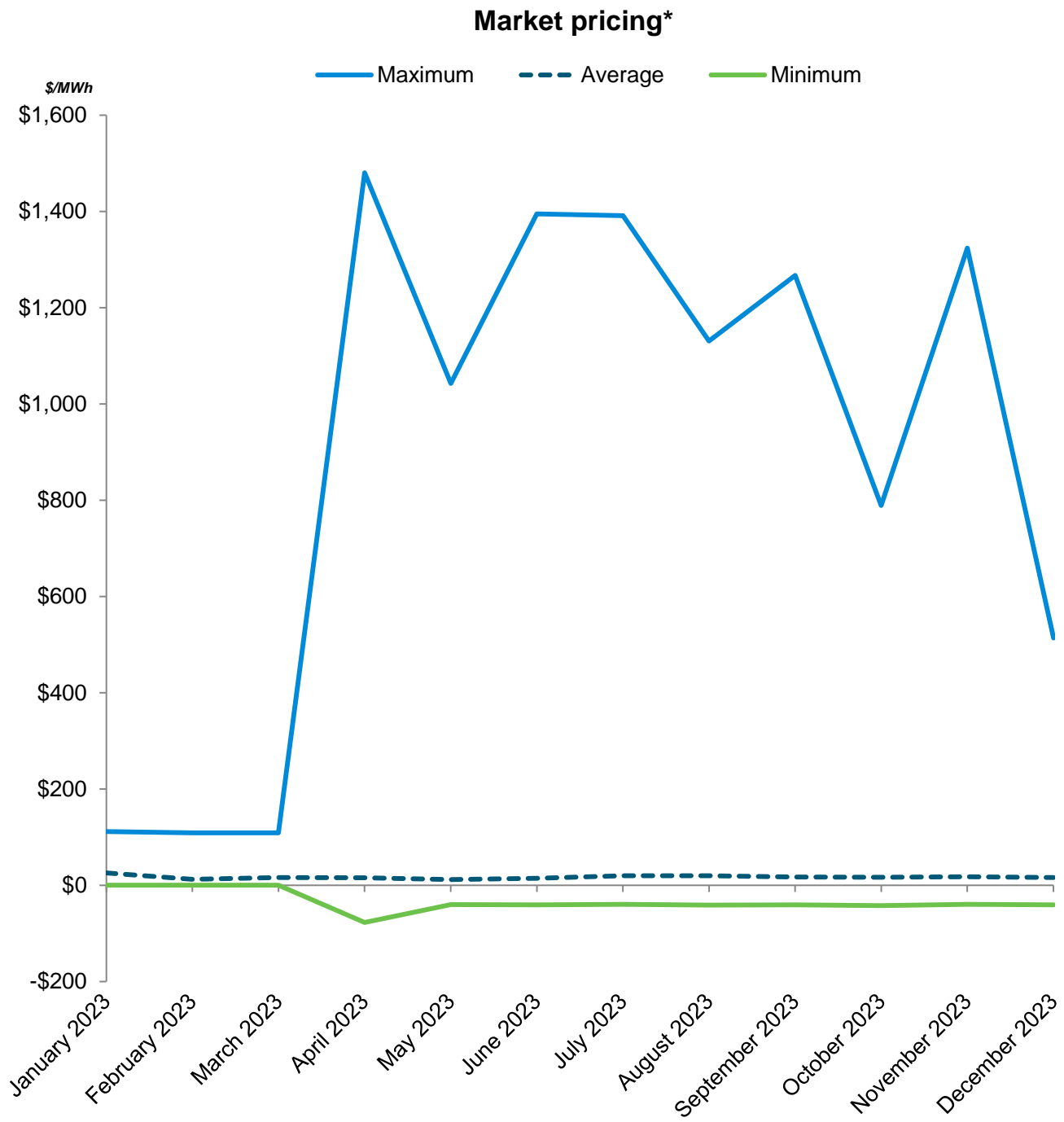
# Surplus sales



# Purchased power

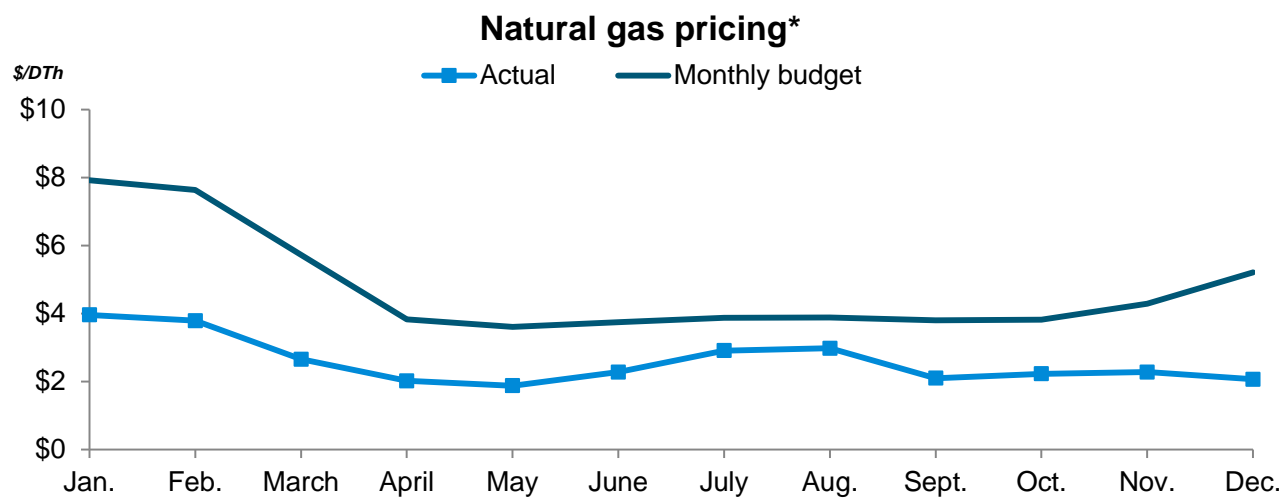


# Market pricing



\* WEIS Operations started April 1.

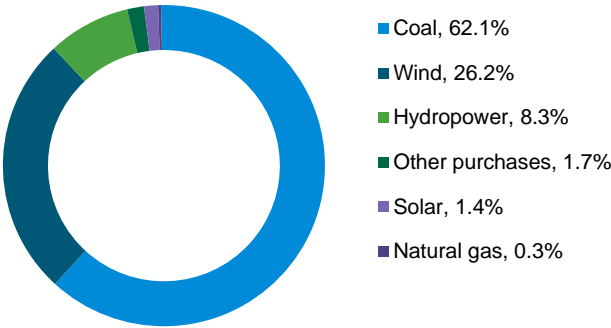
## Natural gas pricing



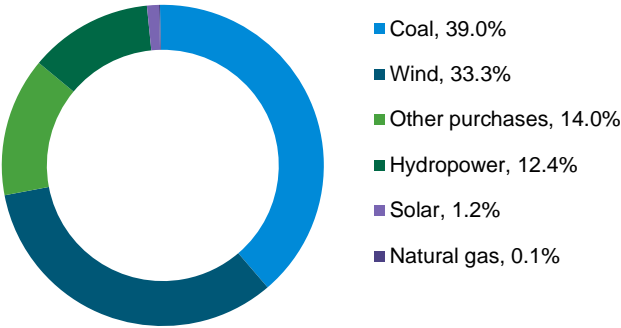
\*Forecast based on Argus North American Natural Gas forward curves. Pricing does not include transport.

# Total resources

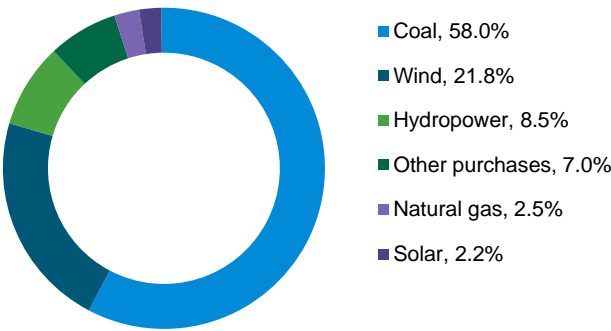
December generation budget



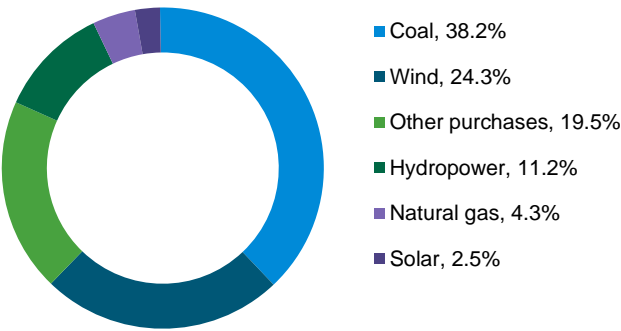
December generation actual

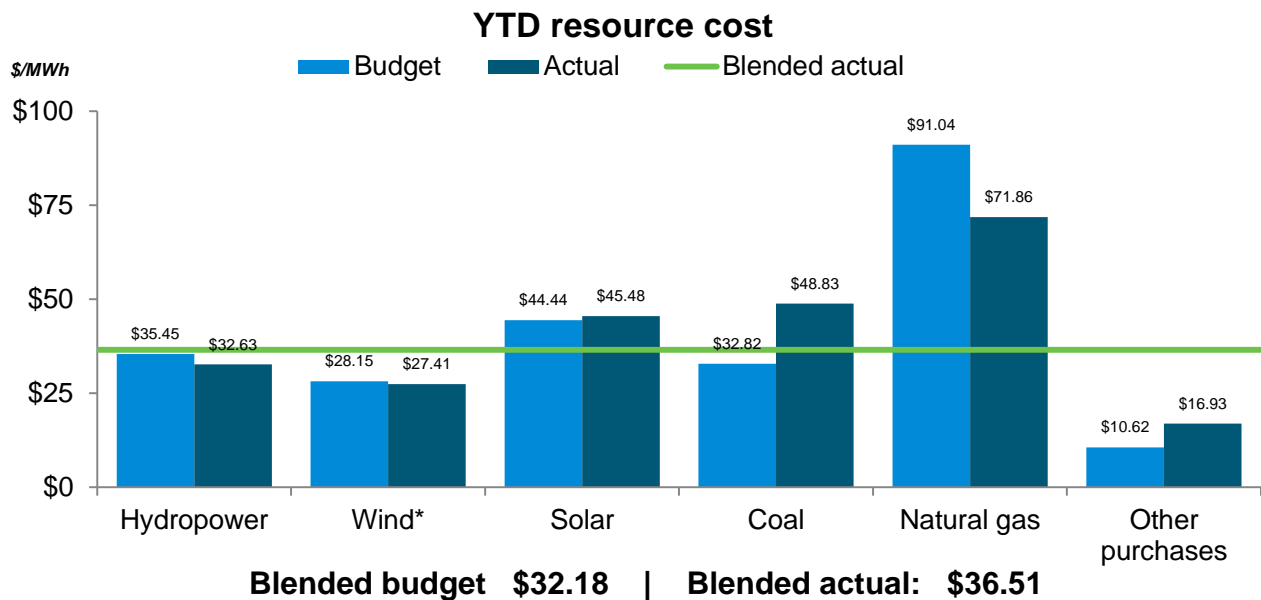
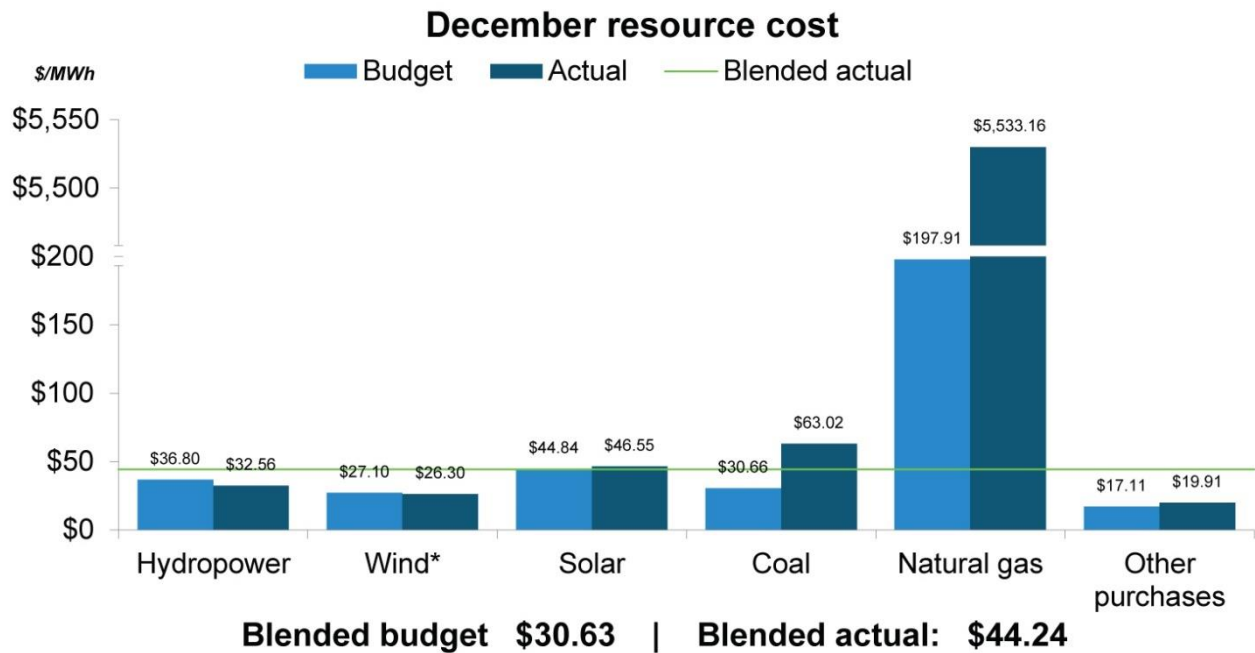


YTD budget



YTD actual





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



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# Financial report

**December 2023**





## Financial highlights year to date

Platte River reported favorable results year to date with below-budget operating expenses and above-budget unrealized gains and interest income on investments, partially offset by below-budget revenues.

Change in net position was \$40.8 million, favorable by \$18.4 million, prior to deferring revenues under the board-approved accounting policy as described in the other financial information section. The general manager/CEO approved deferring \$30.5 million of current-year revenues (approval attached). The revenue deferral is based on long-term financial and rate projections and ensures reported results meet or exceed strategic financial plan metrics for 2023. Change in net position after the revenue deferral was \$10.3 million.

Key financial results (\$ millions)	December		Favorable (unfavorable)		Year to date		Favorable (unfavorable)	
	Budget	Actual			Budget	Actual		
Change in net position	\$ 1.5	\$ (25.0)	■	\$ (26.5) (1,766.7%)	\$ 22.4	\$ 10.3	■	\$ (12.1) (54.0%)
Fixed obligation charge coverage	2.23x	(7.65x)	■	(9.88x) (443.0%)	2.43x	1.50x	■	(0.93x) (38.3%)

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

At this time, the entries to update the pension liability are not complete because the actuary report is not received until mid-February. The financial statements will be included in the final audit report and only budget schedules are included in this report. Results are preliminary until the financial audit is complete.

## Budgetary highlights year to date

After closing 2023, \$0.3 million of board contingency was required for debt service expenditures. Operating expenses and capital additions ended below budget. Of the \$16.8 million below-budget variance in capital additions, \$14 million will be requested to be carried over to the 2024 Strategic Budget to continue work on several projects.

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

Key budgetary results (\$ millions)	December		Favorable (unfavorable)		Year to date		Favorable (unfavorable)		Annual budget
	Budget	Actual			Budget	Actual			
<b>Total revenues</b>	\$ 25.4	\$ 23.1	■	\$ (2.3) (9.1%)	\$ 305.0	\$ 296.9	■	\$ (8.1) (2.7%)	\$ 305.0
Sales to owner communities	18.5	17.6	■	(0.9) (4.9%)	224.1	217.8	■	(6.3) (2.8%)	224.1
Sales for resale - long-term	1.3	1.1	■	(0.2) (15.4%)	14.9	13.5	■	(1.4) (9.4%)	14.9
Sales for resale - short-term	4.5	2.7	■	(1.8) (40.0%)	53.6	48.2	■	(5.4) (10.1%)	53.6
Wheeling	0.5	0.8	●	0.3 60.0%	6.1	9.3	●	3.2 52.5%	6.1
Interest and other income	0.6	0.9	●	0.3 50.0%	6.3	8.1	●	1.8 28.6%	6.3
<b>Total operating expenses</b>	\$ 20.2	\$ 25.1	■	\$ (4.9) (24.3%)	\$ 238.1	\$ 226.4	●	\$ 11.7 4.9%	\$ 238.1
Purchased power	4.9	6.3	■	(1.4) (28.6%)	55.1	61.7	■	(6.6) (12.0%)	55.1
Fuel	5.4	3.0	●	2.4 44.4%	62.7	45.2	●	17.5 27.9%	62.7
Production	4.2	8.2	■	(4.0) (95.2%)	54.8	58.3	■	(3.5) (6.4%)	54.8
Transmission	1.6	1.8	■	(0.2) (12.5%)	20.2	19.3	●	0.9 4.5%	20.2
Administrative and general	2.9	3.8	■	(0.9) (31.0%)	31.5	31.7	◆	(0.2) (0.6%)	31.5
Distributed energy resources	1.2	2.0	■	(0.8) (66.7%)	13.8	10.2	●	3.6 26.1%	13.8
<b>Capital additions</b>	\$ 3.6	\$ 6.8	■	\$ (3.2) (88.9%)	\$ 42.7	\$ 25.9	●	\$ 16.8 39.3%	\$ 42.7
<b>Debt service expenditures</b>	\$ 1.8	\$ 1.8	◆	\$ - 0.0%	\$ 18.1	\$ 18.1	◆	\$ - 0.0%	\$ 18.1

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

## Total revenues, \$8.1 million below budget

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

- **Sales to owner communities** were below budget \$6.3 million. Energy revenues were \$5.4 million or 4.2% below budget due to below-budget energy. Demand revenues were \$0.9 million or 1.2% below budget as coincident and non-coincident billing demand were below budget 1.1% and 1%, respectively.
- **Sales for resale - long-term** were below budget \$1.4 million due to lower available baseload generation that serves a contract and below-budget resold wind generation, partially offset by calls on a capacity contract.
- **Sales for resale - short-term** were below budget \$5.4 million as energy volume was 38.4% below budget, partially offset by 45.8% above-budget average prices. The variance is primarily due to selling less energy in the Western Energy Imbalance Service (WEIS) market than budgeted because of lower average prices and unit outages and curtailments. WEIS operations started April 1.
- **Wheeling** was above budget \$3.2 million due to unplanned point-to-point transmission sales and above-budget network customer service charges.
- **Interest and other income** was above budget \$1.8 million primarily due to higher interest income earned on investments.

## Total operating expenses, \$11.7 million below budget

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

- **Fuel** was \$17.5 million below budget.
  - Coal - Rawhide Unit 1** 75% of the overall variance, \$13.2 million below budget. Generation was below budget due to lower-cost energy available in the WEIS market, unplanned outages, curtailments and an unplanned extension of the scheduled minor outage. Price was above budget due to increased transportation costs.
  - Coal - Craig units** 33% of the overall variance, \$5.8 million below budget. Generation was below budget due to lower-cost energy available in the WEIS market, the extended Craig Unit 2 scheduled maintenance outage, curtailments and unplanned outages. Unit 1 was offline from April 24th to May 14th due to mercury emissions. An unplanned outage on Craig Unit 2 led to an early start of the scheduled maintenance outage and remained offline January 18th to May 17th for repairs to the primary air fans. Price was above budget due to an updated price from Trapper Mine as total projected production from the mine decreased, increasing cost per ton delivered.
  - Natural Gas** (8%) of the overall variance, \$1.5 million above budget. Total generation from the combustion turbines served calls on a capacity contract, made additional sales and served load during the scheduled minor outage on Rawhide Unit 1. Further, non-generation gas expense was above budget due to losses on price-locked gas that was not burned, as prices had fallen. Price was below budget due to lower market prices.

- **Distributed energy resources** were \$3.6 million below budget due to the unpredictability of the completion of customers' energy efficiency projects. Energy efficiency rebates and incentives were below budget primarily due to vendor and outreach challenges in residential retail product programming along with slow participation in small and medium business programs, which is driven by continued effects of the COVID-19 pandemic and economic recovery challenges.
- **Production, transmission, and administrative and general** were \$2.8 million above budget. The above-budget expenses include: 1) Craig maintenance and scheduled outage, 2) general plant and combustion turbine maintenance, 3) Rawhide Unit 1 scheduled minor outage, 4) planning initiatives, 5) Fordham to Fort St. Vrain termination repair and 6) SCADA and energy management. Projects were either completed below budget or expenses not required. The below-budget expenses include: 1) Rawhide non-routine projects, 2) digital and communications consulting services, 3) wheeling, 4) chemicals, 5) market services and 6) transmission non-routine projects
- **Purchased power** was \$6.6 million above budget. The above-budget expenses include: 1) market and bilateral purchases to replace baseload generation during outages and curtailments, serve sales and to take advantage of lower-cost energy in the WEIS market, 2) hydropower purchases due to favorable conditions and 3) community solar purchases due to above-budget pricing. The below-budget expenses include: 1) net energy provided to Tri-State Generation and Transmission Association, Inc. (Tri-State) under the forced outage assistance agreement, 2) wind generation and 3) solar generation.

### Capital additions (year-end results for 2023)

Capital expenditures at the end of the year were \$16.8 million below budget. Several projects were not completed during 2023 and the remaining funds for those projects, approximately \$14.0 million, will need to be carried over into 2024 to continue work on several projects. The majority of these projects are summarized below.

Several additional requests for funds have occurred due to changes in the schedule and scope of projects. However, a contingency transfer will not be required as final expenses for projects came in below budget. Additional funds required can be absorbed by existing below-budget or canceled projects. Project managers are continuously improving work planning and budgeting by better aligning scope, schedules and available resources. The projects listed below ended the year with a budget variance of more than \$100,000. In addition, the amounts below are costs for 2023 and may not represent the total cost of the project.

Project (\$ in thousands)	2023 budget	Actual	Favorable (unfavorable)	Carryover request
<b>Below budget projects</b>				
* <b>Solar substation 230 kV - Severance Substation</b> - This project was below budget due to supply chain issues. Material and equipment lead times are longer than anticipated and are not expected to be received until 2024. This delay is not expected to impact the revised overall project schedule. <i>The below-budget funds will be requested to be carried over into 2024.</i>	\$ 6,368	\$ 2,780	\$ 3,588	\$ 3,588

Project (\$ in thousands)	2023 budget	Actual	Favorable (unfavorable)	Carryover request
<b>Relay panel and breaker replacements - Airport Substation</b> - This project was below budget due to third-party delays. The number of participants in the project adds complexity which requires additional time to evaluate the overall project plan. <i>The below-budget funds will be requested to be carried over into 2024.</i>	\$ 1,829	\$ 2	\$ 1,827	\$ 1,827
* <b>Monofill upgrade - Rawhide</b> - This project was below budget due to optimized design and value engineering. The leachate collection tank system was redesigned to use mobile steel tanks rather than a specialty tank, which significantly reduced project costs.	\$ 2,209	\$ 1,077	\$ 1,132	\$ -
* <b>SCADA and energy management system</b> - This project was below budget due to a delay as the latest vendor schedule shows milestones shifting from 2023 to 2024. <i>The below-budget funds will be requested to be carried over into 2024.</i>	\$ 2,079	\$ 954	\$ 1,125	\$ 1,125
* <b>Enterprise resource planning software</b> - This project was below budget as the implementation schedule was adjusted to allow for additional time to better refine requirements and prepare for adequate testing, causing some milestone payments to now be due in 2024. <i>The below-budget funds will be requested to be carried over into 2024.</i>	\$ 3,677	\$ 2,593	\$ 1,084	\$ 1,084
* <b>Combustion component upgrade - combustion turbine Unit D</b> - This project was below budget as Platte River received a multi-unit discount when procuring equipment. Additionally, a payment for combustion hardware equipment required an out-of-budget request in 2022, therefore reducing funds required in 2023. <i>A portion of the below-budget funds will be requested to be carried over into 2024.</i>	\$ 4,342	\$ 3,309	\$ 1,033	\$ 10
* <b>Fiber optic OPGW installation - Long Haul East (Timberline to Harmony)</b> - This project was below budget as procurement of materials did not occur in 2023 as originally anticipated. In addition, a transmission line outage is required to complete the project which is not scheduled until 2024. <i>The below-budget funds will be requested to be carried over into 2024.</i>	\$ 834	\$ 48	\$ 786	\$ 786
* <b>Transformer T3 replacement - Timberline Substation</b> - This project was below budget due to supply chain issues. <i>The below-budget funds will be requested to be carried over into 2024.</i>	\$ 1,487	\$ 944	\$ 543	\$ 543
* <b>Simulator evergreen upgrade - Rawhide Unit 1</b> - This project was below budget as the scope was reduced to remove additional modeling software resulting in less labor, hardware and licensing costs than originally anticipated. <i>A portion of the below-budget funds will be requested to be carried over into 2024.</i>	\$ 1,170	\$ 675	\$ 495	\$ 200
** <b>Fiber optic cable replacement - Long Haul East (Fort Collins to Loveland)</b> - This project was below budget as it was delayed due to permitting, ditch crossings and City of Loveland engineering requirements that were not anticipated. Additionally, fiber splicing was planned to be executed internally, but will be outsourced due to staffing changes. <i>The below-budget funds will be requested to be carried over into 2024.</i>	\$ 830	\$ 426	\$ 404	\$ 404

Project (\$ in thousands)	2023 budget	Actual	Favorable (unfavorable)	Carryover request
* <b>115 kV transmission line replacement - Drake transmission line</b> - This project was below budget as a portion of the design budgeted for 2023 was delayed to better align with the overall project schedule. <i>The below-budget funds will be requested to be carried over into 2024.</i>	\$ 225	\$ 1	\$ 224	\$ 224
<b>52G breaker replacement - combustion turbine units A-D</b> - This project was below budget as contingency funds were not needed and proceeds were received on the sale of existing breakers.	\$ 600	\$ 388	\$ 212	\$ -
<b>Market software - PCI GenManager</b> - This project was below budget due to vendor project costs being lower than originally anticipated and contingency funds being not needed.	\$ 459	\$ 249	\$ 210	\$ -
* <b>Switchgear replacement - Soldier Canyon Pump Station</b> - This project was below budget due to supply chain issues. <i>The below-budget funds will be requested to be carried over into 2024.</i>	\$ 210	\$ 1	\$ 209	\$ 209
* <b>Transmission line vault upgrades - Rogers Road Substation</b> - This project was below budget due to a delay in the project design as a result of the vault's close proximity to the road. <i>The below-budget funds will be requested to be carried over into 2024.</i>	\$ 309	\$ 158	\$ 151	\$ 151
<b>Capacitor coupled voltage transformer replacement - Dixon Creek Substation</b> - This project was below budget due to material costs and the construction contract being lower than anticipated.	\$ 272	\$ 138	\$ 134	\$ -
<b>Above budget projects</b>				
* <b>Southern toe drain modifications - Rawhide</b> - This project was above budget due to formal bids being higher than anticipated. Funds were initially budgeted in 2022 prior to receiving approval of the modification plans from the State of Colorado.	\$ 593	\$ 1,114	\$ (521)	\$ -
* <b>Pipeline reroute - Rawhide pipeline</b> - This project was above budget due to an additional section of pipeline reroute required because of a Larimer County bridge installation. Contaminated ground water was also detected requiring water to be hauled offsite to a waste management facility leading to increased costs. <i>Additional funds were requested in 2023, of which a portion will be requested to be carried over into 2024.</i>	\$ 2,016	\$ 2,404	\$ (388)	\$ 972
* <b>Spray dry absorber direct lime injection</b> - This project was above budget due to a new design requiring additional labor and materials such as pumps, piping and other equipment. <i>Additional funds were requested in 2023, of which a portion will be requested to be carried over into 2024.</i>	\$ 428	\$ 746	\$ (318)	\$ 27
<b>Relay upgrades - (T1 and T2 bays) Dixon Creek Substation</b> - This project was above budget for the construction of relay upgrades which will improve the transformer bus protection and modernize the existing relay protection package. The scope was also increased to include installation of a remote terminal unit and real time automation controllers. Project design began in late 2022 and funds could not be budgeted timely for 2023.	\$ 17	\$ 289	\$ (272)	\$ -

Project (\$ in thousands)	2023 budget	Actual	Favorable (unfavorable)	Carryover request
* <b>Fiber optic expansion - Long Haul West (Fort Collins to Loveland)</b> - This project was above budget due to additional contracted services being required as a result of staffing changes and outsourcing the project design. In addition, unanticipated rock layers and locating issues led to increased labor, boring, potholing and traffic control costs.	\$ 380	\$ 545	\$ (165)	\$ -
<b>Transmission line vault upgrades - Crossroads Substation</b> - This project was above budget due to increased contractor labor rates, project duration extending by one week and material costs being higher than originally anticipated.	\$ 994	\$ 1,142	\$ (148)	\$ -
* <b>Switch replacements - Loveland East Substation</b> - This project was above budget due to an increase in scope as additional switches were identified that require replacement.	\$ 151	\$ 268	\$ (117)	\$ -
<b>Out-of-budget projects</b>				
<b>Reactors replacement KW1A and KW1B - Ault Substation WAPA</b> - This project will replace two oil filled 13.8-kV 25MVAR reactors at the Ault KU1A transformer tertiary.	\$ -	\$ 346	\$ (346)	\$ -
* <b>Perimeter detection system - Horseshoe Substation</b> - This project will install forward-looking infrared thermal cameras to detect and monitor breaches of the substation. In addition, perimeter lighting will be installed to act as a deterrent and to aid in investigation if there was a breach. This project was escalated due to recent physical security events at substations across the country.	\$ -	\$ 137	\$ (137)	\$ -
<b>Switch and capacitor voltage transformer (CVT) replacements - Timberline Substation</b> - This project will replace inoperable and unreliable disconnect switches and will replace the CVT which is at the end of its useful life. Equipment replacements will be combined to reduce costs and outage scheduling. Due to supply chain issues, equipment is not expected to be delivered until 2024. <i>Funds were requested in 2023, of which a portion will be requested to be carried over into 2024.</i>	\$ -	\$ 6	\$ (6)	\$ 211
<b>Mechanical system redundancy - headquarters</b> - This project will install an additional fluid cooler to the headquarters building for mechanical system redundancy. Installation of this unit will allow all critical systems to stay online in the event the pond exchangers are unavailable. Due to long lead times equipment will not be received in 2023 as originally anticipated. <i>Funds were requested in 2023, of which all will be requested to be carried over into 2024.</i>	\$ -	\$ -	\$ -	\$ 280
<b>Delayed projects</b>				
<b>Compliance management software</b> - This project was delayed due to lack of vendor availability. <i>The below-budget funds will be requested to be carried over into 2024.</i>	\$ 348	\$ -	\$ 348	\$ 348
<b>Wireless network replacement</b> - This project was delayed due to internal resources shifting to higher priority projects. <i>The below-budget funds will be requested to be carried over into 2024.</i>	\$ 345	\$ -	\$ 345	\$ 345

Project (\$ in thousands)	2023 budget	Actual	Favorable (unfavorable)	Carryover request
<b>Dust collection system replacement - crusher building</b> - This project was delayed due to a schedule change for the next major outage from 2024 to 2025. <i>The below-budget funds will be requested to be carried over into 2024.</i>	\$ 222	\$ -	\$ 222	\$ 222
<b>Dust collection system replacement - coal transfer building</b> - This project was delayed due to a schedule change for the next major outage from 2024 to 2025. <i>The below-budget funds will be requested to be carried over into 2024.</i>	\$ 191	\$ -	\$ 191	\$ 191
<b>Fiber optic cable replacement - Fort Collins Riverside</b> - This project was delayed to align with City of Fort Collins' schedule. <i>The below-budget funds will be requested to be carried over into 2024.</i>	\$ 153	\$ -	\$ 153	\$ 153
<b>Infrastructure automation</b> - This project was delayed due to internal resources shifting to higher priority projects. <i>The below-budget funds will be requested to be carried over into 2024.</i>	\$ 130	\$ -	\$ 130	\$ 130
<b>** Fiber optic expansion - Highway 34 to Crossroads Substation</b> - This project was delayed due to internal resources shifting to higher priority projects. <i>The below-budget funds will be requested to be carried over into 2024.</i>	\$ 113	\$ -	\$ 113	\$ 113
<b>HVAC replacements - microwave communications building</b> - This project was delayed due to supply chain issues. <i>The below-budget funds will be requested to be carried over into 2024.</i>	\$ 110	\$ -	\$ 110	\$ 110
<b>Switch 2089 replacement - Boyd Substation</b> - This project was delayed due to supply chain issues. <i>The below-budget funds will be requested to be carried over into 2024.</i>	\$ 108	\$ -	\$ 108	\$ 108
<b>Canceled projects</b>				
<b>Subscription based information technology arrangements</b> - Due to the implementation of GASB 96 <i>Subscription-Based Information Technology Arrangements</i> , a right-to-use subscription asset was budgeted as capital for a variety of subscription software. After further analysis, it was determined that appropriated funds for this standard are best attributed to existing capital projects or classified as financing arrangements and reported as debt service if the subscribed software has been implemented.	\$ 1,160	\$ -	\$ 1,160	\$ -
<b>Transformer (Flats) replacement - Rawhide Substation</b> - This project was canceled and will be evaluated with future generation resources to ensure construction and system impacts at the Rawhide Energy Station are optimized.	\$ 949	\$ -	\$ 949	\$ -
<b>Real time tools</b> - This project was canceled as a capital addition. COVID-19 restrictions delayed the project leading to an estimated remaining useful life of less than two years and a replacement asset was in progress. Therefore, it did not meet capitalization criteria when completed and the expenditures were reclassified as operating expenses.	\$ -	\$ (561)	\$ 561	\$ -

Project (\$ in thousands)	2023 budget	Actual	Favorable (unfavorable)	Carryover request
<b>Control enclosure and relay upgrades - Valley Substation</b> - This project was canceled and will be rebudgeted in a future year to align with City of Loveland projects. This will minimize outages and gain efficiencies.	\$ 453	\$ -	\$ 453	\$ -
<b>Pipeline reroute - Soldier Canyon Pipeline</b> - This project was canceled and will be evaluated as water needs for future generation resources are determined.	\$ 309	\$ -	\$ 309	\$ -

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

\*\* Project is new to the report.

## Debt service expenditures

The outstanding principal for Series JJ and KK represents debt associated with transmission assets (\$104.6 million) and the Rawhide Energy Station (\$21.3 million). Principal and interest payments are made June 1 and interest only payments are made Dec. 1. The table below shows current debt outstanding.

Series	Debt outstanding \$/thousands	Par issued \$/thousands	True interest cost	Maturity date	Callable date	Purpose
Series JJ - April 2016	\$ 102,320	\$ 147,230	2.2%	6/1/2036	6/1/2026	\$60M new money for Rawhide & transmission projects & refund portion of Series HH (\$13.7M NPV/12.9% savings)
Series KK - December 2020	23,550	\$ 25,230	1.6%	6/1/2037	N/A*	Refund a portion of Series II (\$6.5M NPV/27.6% savings)
Total par outstanding	125,870					
Unamortized bond premium	9,601					
Total revenue bonds outstanding	135,471					
Less: due within one year	(12,790)					
Total long-term debt, net	\$ 122,681					

Fixed rate bond premium costs are amortized over the terms of the related bond issues.

\*Series KK is subject to prior redemption, in whole or in part as selected by Platte River, on any date.

As discussed in the capital additions section, Platte River is subject to the subscription reporting model applicable under GASB 96 *Subscription-Based Information Technology Arrangements (GASB 96)*. Payments for implemented right-to-use subscription assets are presented as debt service expenditures rather than capital additions. Because these were budgeted as capital additions, an appropriation for debt service expenditures was not approved for these transactions and a budget contingency transfer appropriation was required.

## Contingency appropriation

Debt service expenditures are \$0.3 million above budget. Operating expenses and capital additions did not exceed budget. At the December board meeting, staff requested and the board approved a contingency transfer request for a not-to-exceed amount of \$5 million. The final contingency transfer amount was \$0.3 million and was used for debt service expenditures comprised of principal retirements and interest expense primarily related to the implementation of GASB 96.

## Other financial information

- **Deferred revenue and expense accounting policy** - This policy allows deferring revenues and expenses to reduce rate pressure and achieve rate smoothing during the portfolio transition to meet the Resource Diversification Policy goal. As noted above, the general manager/CEO approved deferring revenues in 2023. See the attached memo for details.
- **Restatement of 2022 financial statements** - The 2022 statement of net position, statement of revenues, expenses and changes in net position and statement of cash flows will be restated for comparative purposes in the final audit report, reflecting the impact of implementing GASB 96. Restated 2022 change in net position is \$6.6 million, a decrease of less than \$0.1 million from original reporting, after increasing deferred revenues by \$0.1 million. The final audit report will contain further information and details of the impact. Further, total budgetary expenditures on a non-GAAP basis also increased by a total of \$0.3 million, resulting in an additional \$0.3 million of board contingency. Contingency was also re-allocated between operating expenses, capital additions and debt service expenditures as implementation impacted all categories. After this restatement, \$17.4 million of the total \$24 million board contingency was transferred.
- **Forced outage assistance agreement** - This agreement, which involves Platte River's Rawhide Unit 1 and Tri-State's Craig Unit 3, provides that each party supply replacement energy to the other party during a forced outage of either unit. The Energy Account Balance Limit, defined in the agreement, was exceeded in February and May. Tri-State was invoiced \$2.4 million and \$2.6 million, respectively. Pursuant to the terms of the agreement, this payment buys down the energy balance to half of the contract limit. At the end of 2023, the net receivable for this agreement was \$0.8 million which, along with any 2024 activity, will be settled after the agreement terminates in March 2024.



## Budget schedules

# Schedule of revenues and expenditures, budget to actual

## December 2023

Non-GAAP budgetary basis (in thousands)

	Month of December		Favorable
	Budget	Actual	(unfavorable)
<b>Revenues</b>			
<i>Operating revenues</i>			
Sales to owner communities	\$ 18,501	\$ 17,609	\$ (892)
Sales for resale - long-term	1,322	1,062	(260)
Sales for resale - short-term	4,453	2,690	(1,763)
Wheeling	530	785	255
Total operating revenues	24,806	22,146	(2,660)
<i>Other revenues</i>			
Interest income <sup>(1)</sup>	625	909	284
Other income	15	4	(11)
Total other revenues	640	913	273
Total revenues	\$ 25,446	\$ 23,059	\$ (2,387)
<b>Expenditures</b>			
<i>Operating expenses</i>			
Purchased power	\$ 4,944	\$ 6,254	\$ (1,310)
Fuel	5,379	3,029	2,350
Production	4,186	8,232	(4,046)
Transmission	1,588	1,796	(208)
Administrative and general	2,906	3,778	(872)
Distributed energy resources	1,217	1,996	(779)
Total operating expenses	20,220	25,085	(4,865)
<i>Capital additions</i>			
Production	497	5,167	(4,670)
Transmission	2,579	426	2,153
General	505	1,126	(621)
Asset retirement obligations	52	49	3
Total capital additions	3,633	6,768	(3,135)
<i>Debt service expenditures</i>			
Principal	1,404	1,395	9
Interest expense	422	418	4
Total debt service expenditures	1,826	1,813	13
Total expenditures	\$ 25,679	\$ 33,666	\$ (7,987)
<b>Revenues less expenditures</b>	\$ (233)	\$ (10,607)	\$ (10,374)

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

## Schedule of revenues and expenditures, budget to actual

### December 2023 year-to-date

Non-GAAP budgetary basis (in thousands)

	December year to date		Favorable	Annual
	Budget	Actual	(unfavorable)	budget
<b>Revenues</b>				
<i>Operating revenues</i>				
Sales to owner communities	\$ 224,082	\$ 217,735	\$ (6,347)	\$ 224,082
Sales for resale - long-term	14,889	13,525	(1,364)	14,889
Sales for resale - short-term	53,584	48,141	(5,443)	53,584
Wheeling	6,165	9,345	3,180	6,165
Total operating revenues	298,720	288,746	(9,974)	298,720
<i>Other revenues</i>				
Interest income <sup>(1)</sup>	5,978	7,789	1,811	5,978
Other income	301	318	17	301
Total other revenues	6,279	8,107	1,828	6,279
Total revenues	\$ 304,999	\$ 296,853	\$ (8,146)	\$ 304,999
<b>Expenditures</b>				
<i>Operating expenses</i>				
Purchased power	\$ 55,115	\$ 61,730	\$ (6,615)	\$ 55,115
Fuel	62,676	45,142	17,534	62,676
Production	54,770	58,307	(3,537)	54,770
Transmission	20,254	19,348	906	20,254
Administrative and general	31,508	31,714	(206)	31,508
Distributed energy resources	13,789	10,131	3,658	13,789
Total operating expenses	238,112	226,372	11,740	238,112
<i>Capital additions</i>				
Production	14,668	11,758	2,910	14,668
Transmission	14,953	7,484	7,469	14,953
General	13,048	6,650	6,398	13,048
Asset retirement obligations	52	52	-	52
Total capital additions	42,721	25,944	16,777	42,721
<i>Debt service expenditures</i>				
Principal	12,888	12,888	-	12,888
Interest expense	5,239	5,239	-	5,239
Total debt service expenditures	18,127	18,127	-	18,127
Total expenditures	\$ 298,960	\$ 270,443	\$ 28,517	\$ 298,960
Contingency reserved to board	51,656	-	51,656	51,656
Total expenditures and contingency	\$ 350,616	\$ 270,443	\$ 80,173	\$ 350,616
<b>Revenues less expenditures and contingency</b>	\$ (45,617)	\$ 26,410	\$ 72,027	\$ (45,617)

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





## Memorandum

**Date:** 2/1/2024

**To:** Jason Frisbie, general manager/CEO

**From:** Dave Smalley, chief financial officer  
Shelley Nywall, director of finance  
Jason Harris, senior manager, financial reporting and budget

**Subject:** 2023 year-end and 2022 year-end restatement deferred revenue recommendation

The board-approved deferred revenue and expense accounting policy (resolution 09-22), authorizes the general manager/CEO to defer revenues or expenses to reduce rate pressure and achieve rate smoothing during the portfolio transition to meet the Resource Diversification Policy goal.

After the financial statements are prepared at year end, any amount of change in net position above the minimum required to achieve the strategic financial plan targets can be deducted from operating revenues (reducing reported change in net position) and held on the statement of net position to be recorded as revenue in one or more future periods.

The preliminary 2023 financial results reflect change in net position and fixed obligation charge coverage ratio above the strategic financial plan targets. Based on long-term financial and rate projections, the opportunity to defer current-year revenues exists and is desired. Below are the results and the recommended amount of revenue to be deferred. After the deferral of revenue, the fixed obligation charge coverage ratio changed from 2.24x to 1.50x.

2023 results	Amount	
2023 change in net position (prior to deferral and audit)	\$	40,758,637
Change in net position to meet Strategic Financial Plan metrics *		10,279,080
Recommended 2023 revenue deferral amount	\$	30,479,557

\* Driven by the 1.50 times fixed obligation charge coverage ratio

In addition, due to the implementation of GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, 2022 financial results are restated which changes the Strategic Financial Plan targets for that year. As a deferral was recommended and approved based on the financial results before this restatement, an adjustment for the restatement is also recommended.

<b>2022 results</b>	<b>Amount</b>
2022 restated change in net position (prior to deferral and audit)	\$ 28,375,722
Change in net position to meet Strategic Financial Plan metrics *	6,636,265
Recommended 2022 revenue deferral amount	21,739,457
Amount previously deferred in 2022, as originally stated	21,602,326
Recommended adjustment (increase in deferral)	\$ 137,131

\* Driven by change in net position of 3% of annual operating expenses

<b>Cumulative deferred revenue</b>	<b>Amount</b>
2022 deferred revenue	\$ 21,739,457
2023 deferred revenue	30,479,557
Total	\$ 52,219,014

From the May 2023 average wholesale rate projections presented to the board, Platte River anticipated deferring revenues of approximately \$75 million from 2022 to 2025 to be later recognized. While no expenses are deferred currently, the May 2023 forecast projected deferring approximately \$39 million of expenses in 2028 and 2029 to be recognized, in accordance with the policy, before 2035. The financial and rates projection model is continually updated, and the total deferred revenue or expense amounts will vary from the May 2023 projection due to the uncertainty and volatility in modeling assumptions including items such as surplus sales and resource additions.

If any adjustments to change in net position are recorded as financial results are finalized, including the restatement of 2022 results, these amounts will be adjusted dollar for dollar without an additional approval. We will inform you of the revised deferred revenue amounts if any adjustments are made.

Please let us know if you would like to discuss the recommendation; otherwise, please provide your approval to defer 2023 revenue of \$30,479,557 and adjust 2022's deferral by an additional \$137,131 aligned with the restatement of financial results (and any adjusted future amount, if required) by signing below. The recognition period on deferrals will be determined at a later time based on long-term financial and rate projections.

DocuSigned by:  
Jason Frisbie  
AST62524B0824E8

2/1/2024

Jason Frisbie, general manager/CEO

Recommendation provided by:

DocuSigned by:  
Dave Smalley  
004640B66440E...

2/1/2024

Dave Smalley, chief financial officer

DocuSigned by:  
Shelley Nywall  
FED445F4C0B044E...

2/1/2024

Shelley K. Nywall, director of finance

DocuSigned by:  
Jason Harris  
25A2B10EDAC044E...

2/1/2024

Jason Harris, senior manager, financial reporting and budget



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## Memorandum

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**Date:** 2/21/2024

**To:** Board of directors

**From:** Jason Frisbie, general manager and chief executive officer  
Melie Vincent, chief operating officer, generation, transmission and markets  
Daniel Daneshka, senior system electrical engineer

**Subject:** **Black Hollow Solar interconnection update**

---

Construction of the infrastructure to interconnect the Black Hollow Solar project is underway. Staff will review work completed, remaining challenges and project expenses to date.

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





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## Memorandum

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**Date:** 2/21/2024

**To:** Board of directors

**From:** Jason Frisbie, general manager and chief executive officer  
Melie Vincent, chief operating officer, generation, transmission and markets  
Preston Johnson, senior plant mechanical engineer

**Subject:** Existing combustion turbine upgrade

---

In November, Platte River upgraded the combustion system on combustion turbine Unit D. Benefits of the upgrade include increased flexibility in unit operation, reduced emissions, and reduced operation and maintenance costs. Staff will give a presentation describing the upgrade at the February board meeting.

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





**Platte River**  
Power Authority

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## Memorandum

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**Date:** 2/21/2024

**To:** Board of directors

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

**Subject:** **Community engagement timeline**

---

This presentation is to provide a timeline for this year's community engagement activations for the 2024 Integrated Resource Plan (IRP), including the third and final IRP community session, meetings with city councils and other key stakeholders.

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





# Platte River Power Authority

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## Memorandum

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**Date:** 2/21/2024

**To:** Board of directors

**From:** Jason Frisbie, general manager and chief executive officer  
Raj Singam Setti, chief operating officer, innovation and sustainable resource integration

**Subject:** Resource adequacy report preview – informational purposes only

---

Platte River must comply with HB23-1039, requiring it to provide a Resource Adequacy Annual Report (Report) to its board by April 1 of each year (starting in 2024). The board must then submit the Report to the Colorado Energy Office by April 30 of each year.

The Report must identify the generating resources and accredited capacity used to serve our customers.

Accredited capacity for purposes of this Report is defined as the capacity value given to a resource based on nameplate capacity and its effective load-carrying capability. The Report must identify and explain how it arrives at an accredited capacity value for any resource; it is not related to accredited capacity in an organized market.

- The Report must contain:
  - A native load forecast,
  - Nameplate capacity and accredited capacity by individual resource (including renewable resources and storage),
  - Any accredited capacity attributable to distributed generation (including storage),
  - Any demand response used for resource planning or to reduce peak load,
  - The target planning reserve margin and forecasted planning reserve margin,
  - The total accredited capacity and any formulas or assumptions used to calculate it, and
  - Any excess capacity or resource needs or plans to mitigate any forecasted shortfalls.
- Platte River must “provide” its first Report to the board before April 1, 2024. This meets the reporting obligation for us and our owner communities. The board does not need to approve the

Report, but Platte River's board must "submit" the Report to the Colorado Energy Office by April 30, 2024.

- The Colorado Energy Office aggregates all utilities' reports into a statewide annual aggregate report by July 1.
- Platte River must post the Report publicly on its website. Once Platte River enters an "organized wholesale market" (like a Regional Transmission Organization), it will no longer be required to submit this annual Report.



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## Memorandum

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**Date:** 2/21/2024

**To:** Board of directors

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

**Subject:** Formal board approval of use of budgeted and appropriated contingency funds

---

Over the years, Platte River's practice has been to seek formal board approval, at year end, to transfer contingency funds when an expense category (operation and maintenance, capital, debt) was expected to exceed budget.

Platte River's annual budgets include contingency funds. The board resolutions to approve the annual budgets appropriate funds in total, including contingency funds. Because the board appropriates contingency funding when it approves the budget, using contingency funds for their intended purposes does not constitute spending "in excess of appropriation," which, by Colorado's Local Government Budget Law and by Platte River's Fiscal Resolution, would require separate board approval. There is no legal or policy requirement for the board to separately approve use of appropriated contingency funding.

### Recommendation

Staff believes shifting our practice from formal board approval of contingency transfers to a transparent process of updating the board throughout the year and notifying the board of actual contingency fund use is consistent with the authority granted to the general manager and the treasurer under our Fiscal Resolution.

Staff will continue regular updates on anticipated contingency fund transfers and report on actual contingency fund transfers for the completed fiscal year at the first board meeting of the following year, explaining how much contingency funding Platte River used and for what purposes. These regular updates will be in a "contingency appropriation" section of the financial report.

Staff has proposed a draft resolution to document board approval to shift to this simpler oversight process. Staff will review the recommendation at the February board meeting and ask the board to approve the resolution at its March meeting.

## Attachment

- Draft resolution – budget contingency transfer process

**RESOLUTION NO. XX-24**Background

A. For many years, Platte River Power Authority (Platte River) staff has asked the board of directors (board) for formal approval to transfer budgeted contingency funds when anticipated year-end expenses (operations and maintenance, capital, debt, or any combination) exceed budget estimates.

B. Under Colorado's Local Government Budget Law (C.R.S. § 29-1-101 *et. seq.*), as well as Platte River's Fiscal Resolution (25-16), the board must separately authorize any Platte River expenditures that exceed appropriated funding.

C. Because Platte River's practice in recent years has been to include contingency funding in board-approved strategic budgets and appropriation resolutions, transfers of budgeted contingency funds do not exceed appropriated funding.

D. Given the broad powers and responsibilities the Fiscal Resolution already confers on Platte River's general manager and treasurer, and the budget oversight provided through staff's ongoing and year-end budget status reports to the board, the board would like to simplify the contingency fund transfer process.

Resolution

The board of directors of Platte River Power Authority therefore formally expresses its support for a modified contingency fund transfer process, as follows:

- staff will continue to provide budget status reports at each annual and regular board meeting, including, as year-end approaches, estimates of any anticipated contingency fund transfers;
- the general manager and treasurer have authority, under the Fiscal Resolution, to approve contingency fund transfers when necessary to cover unanticipated expenses, up to the maximum contingency funding included in the board resolution approving and appropriating funds for the then-current budget; and
- at the next board meeting after the general manager or the treasurer has approved any contingency fund transfer, staff will report to the board the amounts and purposes of the approved transfers.

AS WITNESS, I have executed my name as secretary and have affixed the corporate seal of the Platte River Power Authority this \_\_\_\_\_ day of March, 2024.

\_\_\_\_\_  
Secretary

Adopted:  
Vote:

DRAFT - NOT APPROVED



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## Memorandum

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**Date:** 2/21/2024

**To:** Board of directors

**From:** Eddie Gutiérrez, chief strategy officer  
Libby Clark, director, human resources and safety

**Subject:** General manager annual review process

---

At the March board meeting, the board will conduct the annual review for the general manager.

### Survey questions and data collection process

In 2020, staff updated appraisal questions to align with Platte River's major strategic initiatives to better reflect the achievements expected of the general manager. The appraisal questions have been further updated to reflect the current strategic plan, which the board approved in 2023. The current strategic plan has four strategic plan initiatives: (1) resource diversification planning and integration, (2) community partner and engagement, (3) workforce culture, and (4) process management and coordination.

An online survey will be sent separately to each board member and designated Platte River staff. The survey will consist of four questions, one for each strategic initiative. For each initiative, there will be a short definition and description of expected accomplishments. The rater will provide a quantitative rating and then have an opportunity to provide comments on strengths and constructive suggestions for each initiative. Staff will consolidate resulting data and send appraisal results to board members before the March board meeting.

### Survey administration timeline

#### March 1: Feedback survey opens


- Survey links will be sent via email to the board of directors and designated Platte River staff
- Email to the board will include a completed self-assessment from the general manager for reference to complete the feedback survey
- The general manager/CEO will ask for feedback from his direct reports
- All responses will be anonymous and confidential

**March 15: Survey completion deadline****March 20: Confidential review packets provided**

- Confidential review packet will be provided in addition to the regular board packets for the board of directors to review in advance of the March board meeting
- Confidential packet includes completed performance survey results and compensation review information

**March 28: Board meeting and annual review discussion****Attachment**

- Policy on general manager annual performance review process

 <b>Platte River</b> Power Authority	<h1>Policy</h1>		Version #: 5.0 Original effective date: 03/27/2014 Next review date: 04/27/2024
	TITLE: General manager annual performance review process policy		Page 1 of 3

## Purpose:

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

## Policy:

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

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

The performance feedback survey will tie into the core elements of Platte River's Resource Diversification Policy and the most recent board-approved strategic plan. Any policy or strategic plan changes will apply prospectively to future performance reviews and staff will update the performance feedback survey accordingly. Because the performance feedback survey reflects board expectations, as expressed in Platte River's Resource Diversification Policy and strategic plan, changes should be made as early in the year as feasible to best provide guidance to the general manager.

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

As part of the annual performance review process, the board will review the salary of the general manager and shall determine any applicable adjustments. This review should be conducted in a manner consistent with the board's employee total compensation policy regarding market-based compensation practices and methodology. The board may direct staff to either use the existing internal market survey process or may choose to use an external third-party vendor to evaluate

 <b>Platte River</b> Power Authority	<h1>Policy</h1>	Version #: 5.0 Original effective date: 03/27/2014 Next review date: 04/27/2024
	TITLE: General manager annual performance review process policy	Page 2 of 3

the market practices and current pay levels for the position. In either case, the market survey should reflect a broad cross section of similarly situated generation and transmission utilities. Any changes in pay resulting from the survey should be communicated to the general manager during the March board meeting.

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


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

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

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

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

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

 <b>Platte River</b> Power Authority	<h1>Policy</h1>		Version #: 5.0 Original effective date: 03/27/2014 Next review date: 04/27/2024
	TITLE: General manager annual performance review process policy		Page 3 of 3

<b>Document owner:</b> Director of human resources and safety		<b>Original effective date:</b> 03/27/2014
<b>Authority:</b> Board of directors		<b>Review frequency:</b> Annually
<b>Counsel review:</b> General counsel		<b>Current effective date:</b> 04/27/2023

Version	Date	Action	Author	Change Tracking (new, review, revision)
1.0	03/27/2014	Original policy – board Resolution No. 06-14	Karin Hollohan	New
2.0	10/29/2015	Revised by board of directors – Resolution No. 12-15	Karin Hollohan	Revision
3.0	02/25/2016	Revised by board of directors – Resolution No. 01-16	Karin Hollohan	Revision
3.1	10/30/2020	Placed on new template and reviewed	Libby Clark	Revision
4.0	08/26/2021	Revised by board of directors – Resolution No. 08-21	Libby Clark	Revision
4.1	10/11/2022	Reviewed, no changes	Libby Clark	Review
5.0	04/27/2023	Revised by board of directors – Resolution No. 06-23 (revised to anchor the policy to Platte River's Resource Diversification Policy and strategic plan)	Libby Clark	Revision



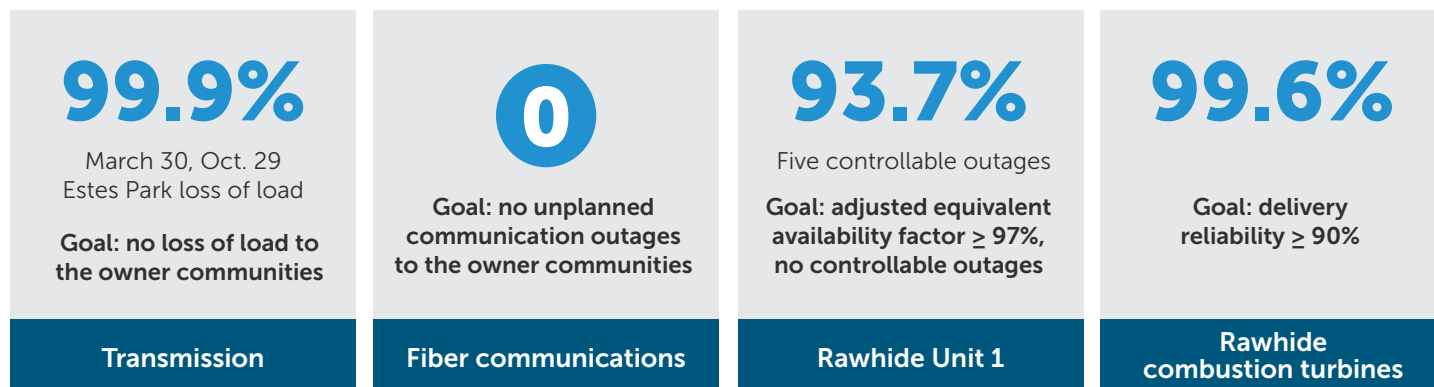


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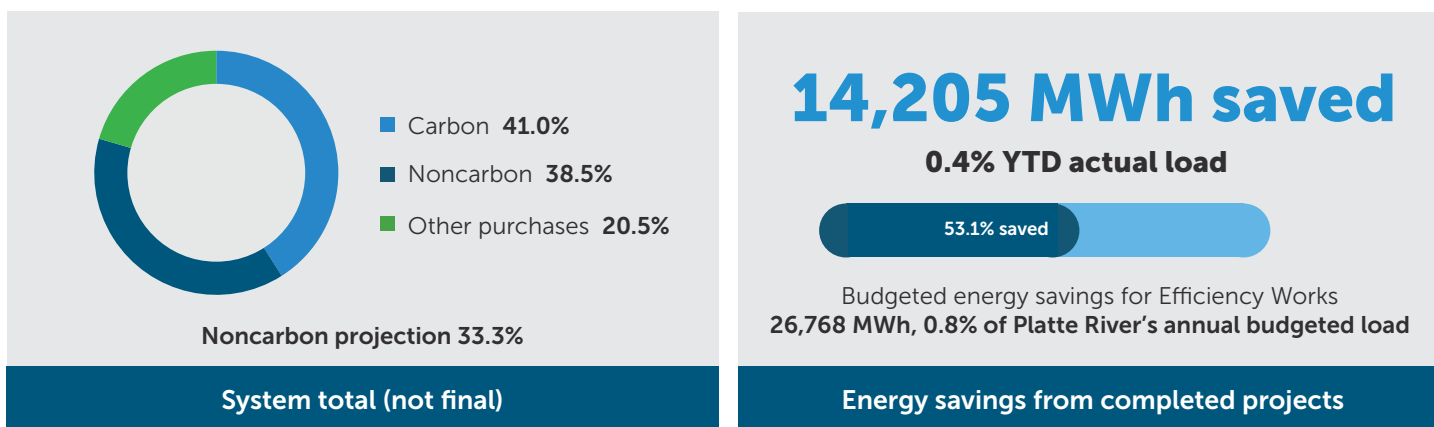
## Performance dashboard

Dec. 31, 2023

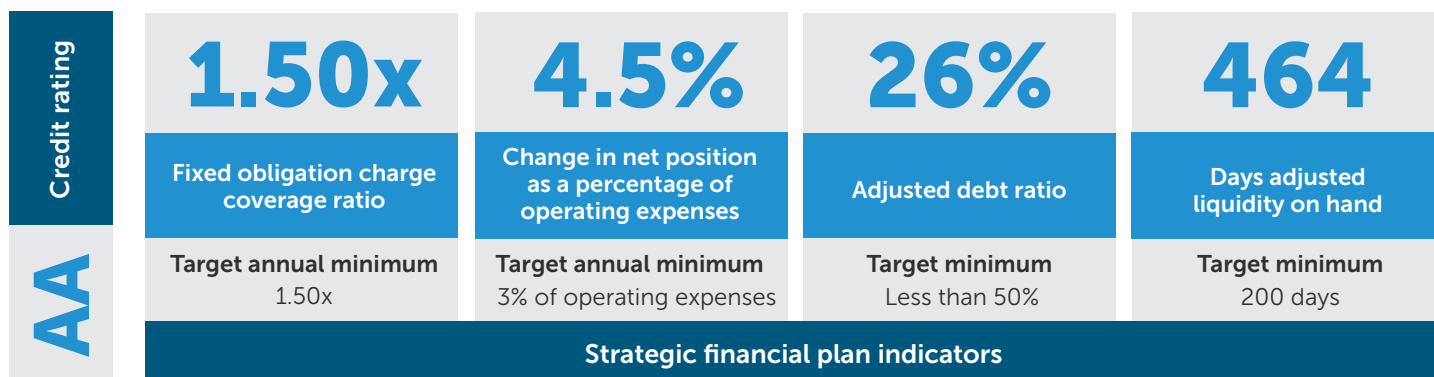
### Reliability



### Environmental responsibility



### Financial sustainability\*



\*Pending final year end adjustments and audit





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# Legal, environmental and compliance report

**December 2023**

**January 2024**





## Overview of recent developments

### Legal matters

#### Progress on the Southwest Power Pool's western regional transmission organization

Platte River entered the Southwest Power Pool (SPP) Western Energy Imbalance Service market on March 31, 2023. Over the past year or so, Platte River has collaborated with other regional utilities, as well as SPP, to explore the potential for SPP to expand its current 14-state regional transmission organization into the Western Interconnection (RTO West), with an anticipated go-live date of April 2026. On Jan. 19, 2024, the RTO West participants voted to endorse SPP tariff Attachment AE, setting up the market structure RTO West will use going forward. SPP plans to submit this and other tariff revisions for RTO West to the Federal Energy Regulatory Commission for review later this year. The full report is on page [2](#) of this document.

### Environmental matters

#### Early Settlement Agreement to Resolve 2022 Air Permit Exceedances

On Nov. 29, 2023, Platte River entered into an early settlement agreement with the Colorado Air Pollution Control Division (the Division) to settle compliance advisories for two exceedances in 2022. On Jan. 1, 2022, combustion turbine Unit F exceeded its three-hour rolling limit for nitrogen oxides for two hours when emissions readings became erratic. On April 18, 2022, Rawhide Unit 1 exceeded the three-hour rolling limit for sulfur dioxide due to a plugged slurry tank. The Division appreciated Platte River's exemplary compliance history and prompt response to these incidents, which were resolved with a \$21,000 total fine. The full report is on page [3](#) of this document.

### Compliance matters

There are no new compliance matters to report.

## Monitoring—status unchanged

Page [4](#) of this document provides a list of matters previously reported but unchanged since our last report.

## Recently concluded matters

Page [6](#) of this document provides a list of matters that have concluded within the last three months.



## Active matters

### Legal matters

#### Progress on the Southwest Power Pool's western regional transmission organization

##### ***Background:***

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

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

To begin the RTO West expansion, SPP required prospective participants to make financial commitments. Platte River worked with the legal teams from SPP and the other participants to draft the template for a series of bilateral agreements (Commitment Agreements) to enable SPP to recover its development costs if RTO West does not go forward as planned. (If RTO West launches as planned, SPP will recover its development costs over time through its administrative fees.) Most participants, including Platte River, signed Commitment Agreements by June 30, 2023.

SPP's current cost estimate for the RTO West expansion is approximately \$40 million. Platte River's estimated share is roughly \$5 million. Under the Commitment Agreements, the obligation to reimburse SPP for its development costs arises only for participants that withdraw before the go-live date or if RTO West does not launch in the Western Interconnection. On Oct. 10, 2023, WAPA signed Commitment Agreements to participate in RTO West, allowing RTO West to move forward as planned.

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

Platte River and the other participants are working with SPP to further develop RTO West, including setting up committees and drafting tariff provisions to incorporate western operations. On Jan. 19, 2024, the participants voted to endorse SPP tariff Attachment AE, setting up the market structure that the RTO West will use going forward. SPP plans to file the updated tariff provisions with the Federal Energy Regulatory Commission (FERC) in early- to mid-2024.



## Environmental matters

### Early Settlement Agreement to Resolve 2022 Air Permit Exceedances

On Nov. 29, 2023, Platte River entered into an early settlement agreement with the Colorado Air Pollution Control Division (Division), to settle compliance advisories for two exceedances in 2022. The first exceedance, on Jan. 1, 2022, was due to erratic nitrogen oxides (NOx) emissions readings from an unanticipated computer update. NOx emissions from combustion turbine Unit F exceeded the three-hour rolling average limit for two hours. The second exceedance, on April 18, 2022, was due to a plug in a slurry tank that feeds the sulfur dioxide (SO<sub>2</sub>) scrubber on Rawhide Unit 1. The scrubber malfunction caused Unit 1 to exceed the three-hour SO<sub>2</sub> rolling average for one hour.

Platte River met with Division staff after the Division's annual air compliance audit to discuss these exceedances. Platte River promptly reported the exceedances when they occurred and established after-action review plans and additional processes to ensure that these issues would not recur. The Division complimented Platte River's prompt response and exemplary compliance history, demonstrating our high credibility with regulators. The Division proposed, and Platte River paid, a \$21,000 fine to settle these two exceedance reports.

## Compliance matters

There are no active compliance-related matters to report.



## Monitoring—status unchanged

### Legal matters

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

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

On Aug. 2, 2023, the Fifth Circuit Court of Appeals (Fifth Circuit) found that the cost allocation scheme FERC approved for WestConnect might require FERC-jurisdictional utilities to subsidize non-jurisdictional utilities on regional transmission projects. Therefore, the Fifth Circuit overturned FERC's orders. It is unclear how FERC-jurisdictional utilities will respond. Platte River will continue to monitor the proceedings at the Fifth Circuit and at FERC.

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

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

On Aug. 21, 2023, a coalition of non-governmental organizations, including GreenLatinos, 350 Colorado, and Earthworks, sued the Air Quality Control Commission (Air Commission) in Denver County District Court. The lawsuit alleges that the rules the Air Commission adopted on May 18 do not comply with Colorado's Environmental Justice Act and are otherwise arbitrary and capricious. If the lawsuit succeeds, the likely outcome is a remand to the Air Commission for a new rulemaking. Platte River will monitor this lawsuit and update the board with any developments.

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

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

On June 1, 2023, Save the Colorado and other environmental groups (appellants) filed their opening brief at the Ninth Circuit Court of Appeals (Ninth Circuit). The defendants (now appellees), including the Bureau and the Colorado River Energy Distributors Association (of which Platte River is a member), filed their responding briefs on Aug. 2, 2023. Appellants filed their reply brief on Sept. 22, 2023. The parties must now wait for the Ninth Circuit to decide the case.

### Environmental matters

#### **EPA's proposed new regulations for greenhouse gas emissions from power plants**

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

The comment period on rules proposed by the U.S. Environmental Protection Agency (EPA) ended Aug. 8, 2023. EPA received more than one million comments on this proposed rule, showing the high



level of interest and controversy over relying on new technologies like hydrogen co-firing and carbon capture and sequestration. Because of the numerous comments, it may take EPA many months or even years to respond and issue final rules. Platte River will evaluate the effect of any final rule, once issued, on its current and any proposed new electric generating units.

## **Groundwater and waste management**

### ***Current status:***

Platte River continues to monitor groundwater and has nearly completed lining and improvements at the monofil. There have been no new developments since our last report.

## **Compliance matters**

There are no compliance-related matters in monitored status this month.



## Recently concluded matters (last three months)

### Legal matters

There are no recently concluded legal matters.

### Environmental matters

There are no recently concluded environmental matters.

### Compliance matters

There are no recently concluded compliance matters.





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# Resource diversification report

January 2024



## Resource integration

In late 2023, Platte River issued a request for proposals (RFP) to acquire 150 – 250 megawatts (MW) of additional nameplate wind capacity. Since receiving these proposals in November 2023, Platte River has been working with the wind developers to fully understand the total effective cost of delivering the output of each wind project to Platte River’s load. By partnering with legal, the team is developing a term sheet to ensure agreement on the key terms, enabling this additional wind capacity to come online in 2027.

Platte River is currently in active negotiations to secure up to 150 MW of nameplate solar capacity, with the aim of beginning commercial operations in late 2026 or early 2027.

Construction has begun on the transmission facility improvements necessary to interconnect the 150-MW Black Hollow Sun Solar, LLC project. Platte River expects to obtain the required permits from the Town of Severance and the state of Colorado to allow construction of the new Severance Substation by late February 2024. Construction of the 150 MW utility-scale solar project is expected to start in late March 2024. The anticipated commercial operation date of the project is spring 2025.

Platte River recently issued an all-dispatchable resource RFP to seek proposals to help us consider all possible resource options to maintain system reliability after existing coal units retire in 2028 and 2029. The RFP responses are due by late April 2024. Platte River will need a few months to vet and review the proposals thoroughly.

The table below summarizes Platte River’s latest resource expansion initiatives, tailored to align with our evolving power supply objectives.

	2023	2024	2025	2026	2027	2028	2029	2030
<u>Existing Resources</u>								
Rawhide 1	278	278	278	278	278	278	278	
Craig 1 & 2	151	151	151	151	74	74		
Peaking capacity	388	388	388	388	388	388	388	388
Wind	231	231	231	231	231	231	231	285
Solar	52	52	52	52	52	52	52	52
<u>New Resources (*)</u>								
Solar			150		150			
Wind					200		200	
Storage				25	75	100		
Dispatchable capacity						166		

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

## Integrated resource planning 2024

Resource planning team spent most of the past two months refining portfolios for the 2024 Integrated Resource Plan (IRP) and developing the first draft of the IRP report. Key activities included:

- Finalized five portfolios out of the 25 developed for the 2024 IRP. These portfolios are:
  - No new thermal
  - Least cost
  - Social Cost of Carbon
  - Optimal new thermal
  - Minimal new thermal
- Led the development of a draft IRP report with emphasis on:
  - Documenting all modeling assumptions
  - Collaborating with other departments on relevant sections of the IRP report, especially the distributed energy resources (DER) section
  - Detailing the modeling process, including portfolio development and reliability analysis
  - Discussing results and recommendations
- Finalized the last external consulting study for the IRP on low or no-carbon technology screening.
- Started the process of developing power supply costs, which will form the basis of long-term rate projections. The following activities are underway:
  - Developing new long-term load forecast
  - Incorporating new DER projections into our dispatch model
  - Working with external consultants to develop assumptions for the long-term power price forecast
- Continued our support for the resource procurement process with bid preparation and results review.
- Continued participation in technology assessment study with external consultant.
- Continued support of the operations department with daily updates of Western Energy Imbalance Service market data and dashboards. Facilitating pilot of new renewable and load forecasts from two new vendors – Tesla and Meteologica.
- Continued guiding the external IT consultant in revamping the planning database and various internally developed planning dashboards.

## DER system integration

Platte River and the four owner communities are working together to integrate DERs, whether owned by customers or the utility, into the electric system. This collaborative endeavor includes the DER

Advisory Committee, DER Planning and Programs teams, and additional working groups of Platte River personnel and owner communities.

The table below illustrates our DER planning forecast of DER adoption and the projected enrolled and achievable potential for DERs that can be managed by the virtual power plant (VPP).

#### DER planning forecast (MW)

	2022 actual	2030 forecast	2040 forecast
<b>DER adoption forecast [1]</b>			
Distributed customer solar, rated output	24	155	282
Distributed customer storage, rated output	1	47	135
Electric vehicles, summer peak	2	26	107
Building electrification, winter peak	0	46	244
<b>VPP: DERs enrolled [2]</b>			
Electric vehicles, enrolled MW	0	10	38
Distributed storage, enrolled MW	0	47	135
Demand response, enrolled MW	0	15	31
Total VPP, enrolled MW	0	71	204
Total VPP, achievable MW	0	32	93

1. DER adoption forecast: Projected customer-driven uptake of solar, storage, and electrification based on costs, incentives, and customer evaluations of technology and fuel expenses.
2. VPP enrolled MW capacities represent the capacity of DERs projected to be enrolled in VPP management. Achievable MW capacities are projected to be dispatchable after adjusting for customer usage limitations.

Work continues to develop distribution-scale storage projects, which could give Platte River and the owner communities as much as 25 MW of four-hour storage. We have narrowed our focus to a preferred developer and have begun discussing terms for the bidder to make continued progress on project development. The following are next steps in the project:

- Operational safety memorandum -The developer is drafting a memorandum that describes its approach to maintaining safe operations and mitigating fire risks inherent to energy and energy-storage projects. This will be shared with the owner community staff to support their evaluation of the project and site-selection decision.
- Site selection - We have worked with owner community staff to identify their preferred storage locations and will narrow focus to a single site per owner community.
- Site control - We will work with the landowners of the preferred sites to negotiate leases and will sublease to the developer for a development phase and an operational phase of the project. Most of the preferred sites are located on owner-community property.

- Permitting and interconnection - Permitting and interconnection work can proceed once site control is established.
- Energy storage service agreement terms - We have begun discussions with the bidder on key terms.

Once site control, permits and all agreements are in place for each site, Platte River will issue a notice to proceed. The developer anticipates it will then take 20 months to complete the project and achieve commercial operation. Note that site selection and site control discussions with each owner community may proceed at different paces. As a result, some projects may begin before others.

The DER Planning and Programs Team and the DER Advisory Committee have indicated that the DER gap assessment and roadmap is complete, with the understanding that it is a living set of documents that represents what is known today about the key systems needed to integrate DER and to form a VPP. We are meeting individually with each owner community's DER Advisory Committee members and utility director to confirm the roadmap, answer questions and determine next steps that will be taken by Platte River and the owner communities to continue implementing the roadmap.





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# Operating report

**January 2024**



## Executive Summary

The region experienced an extreme weather event with cold temperatures, snow and icing, mid-January, which resulted in owner community demand being above budget and owner community energy coming in near budget. The overall net variable cost to serve owner community load was significantly below budget for the month, mainly due to significantly above budget surplus sales pricing.

### Thermal resources

Rawhide Unit 1 experienced a planned maintenance outage, a planned curtailment, and a forced curtailment during the month. The unit was taken offline for approximately 48 hours for a planned maintenance outage to repair coal mill 102. The planned maintenance curtailment to 168 MW for eight hours was to replace and clean power cells, on Jan. 4. The forced curtailment to 163 MW, which lasted less than an hour, was on Jan. 15 and was due to the loss of a condensate pump. Net capacity factor was below budget, due to lower dispatch in the Southwest Power Pool Western Energy Imbalance Service (SPP WEIS). Rawhide equivalent availability factor is below budget due to the outage and curtailments.

Craig Units 1 and 2 experienced a few minor curtailments in January. Craig Unit 1 was curtailed to 65 MW, on Jan. 3 for approximately 24 hours, due to baghouse issues. Craig Unit 2 was curtailed to 40 MW on Jan. 22, due to loss of recycle pumps, for approximately six hours. Craig Units 1 and 2 experienced curtailments to 62 MW and 65 MW, on Jan. 17, for approximately 18 hours due to a gas leak. Craig Unit 1 had a planned outage on Jan. 25 to replace generator stator cooling water filters for approximately four hours. The minor curtailments on the Craig units resulted in equivalent availability factor being above budget for the month. Craig net capacity factor was slightly above budget.

In January, the combustion turbines (CTs) were primarily run to facilitate bilateral sales, cold weather testing, and to replace baseload generation during the Rawhide Unit 1 outage. CT equivalent availability factor and net capacity factors were slightly below budget for the month.

### Renewable resources

Wind generation was below budget for the month. Roundhouse experienced minimal WEIS market curtailments, icing and over-speeding, in January. Medicine Bow experienced a force majeure due to snow and road closures Jan. 15 - Jan. 19 which resulted in the inability to make it to the site to address offline turbines. On Jan. 22, Medicine Bow experienced another road closure, for approximately five hours, due to a hazardous material spill on the road. Solar generation was significantly below budget. The Rawhide Prairie Solar project experienced a continued outage, due to a part failure in the protection equipment, causing the system to be out of service until Jan. 18. Rawhide Prairie Solar is limited to 20 MW, instead of the maximum of 22 MW, due to a temporary fix being put into place until the anticipated arrival of replacement parts in approximately 28 weeks. Net capacity factors for wind and solar were below budget for the month. The Rawhide Prairie Solar battery system was out of service during the entire month of January. As such, the battery was not charged or discharged.

## Surplus sales

Surplus sales volume was significantly below budget, in part, due to constraints on the regional transmission system which resulted in several long-term sales being curtailed. Average surplus sales pricing for the month was considerably above budget, as pricing in the region was higher than anticipated.

## Purchased power

Overall purchased power volume was below budget. The SPP WEIS average purchased power price was above budget for the month, but below generation costs. Bilateral purchased power volume and pricing were significantly above budget, as January bilateral purchased power volume and pricing were not budgeted.

## Total resources

Total blended resource costs were slightly above budget for the month, primarily due to significantly above budget natural gas costs.

## Variances

### 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: ■

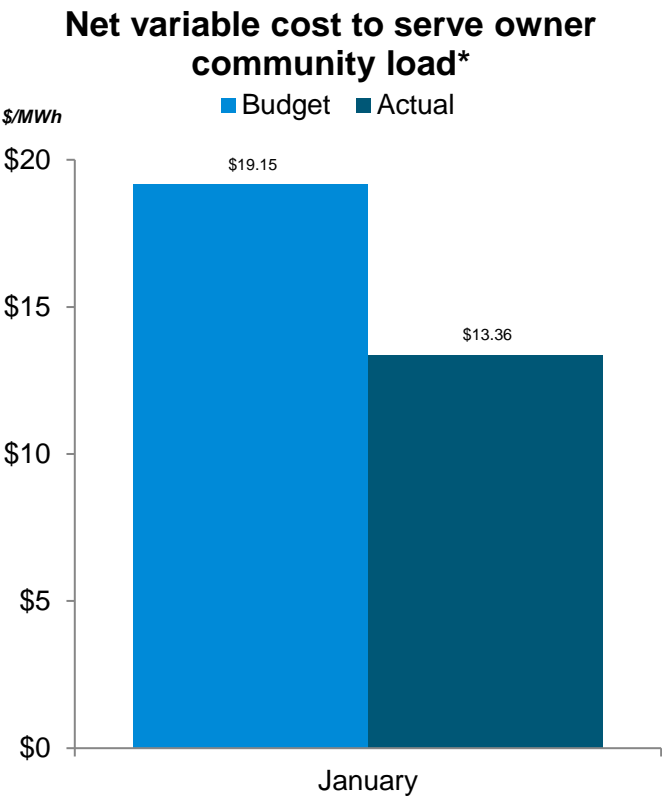
Loss of load

System disturbances

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

2024 goal		January actual	
0	●	0	●

Net variable cost to serve owner community load



\* The net variable operating cost to serve owner community load is equal to the sum of fuel, renewable purchases, energy purchases less surplus energy sales. The net variable cost is divided by total owner community load to determine average net variable cost to serve owner community load.

## Events of significance

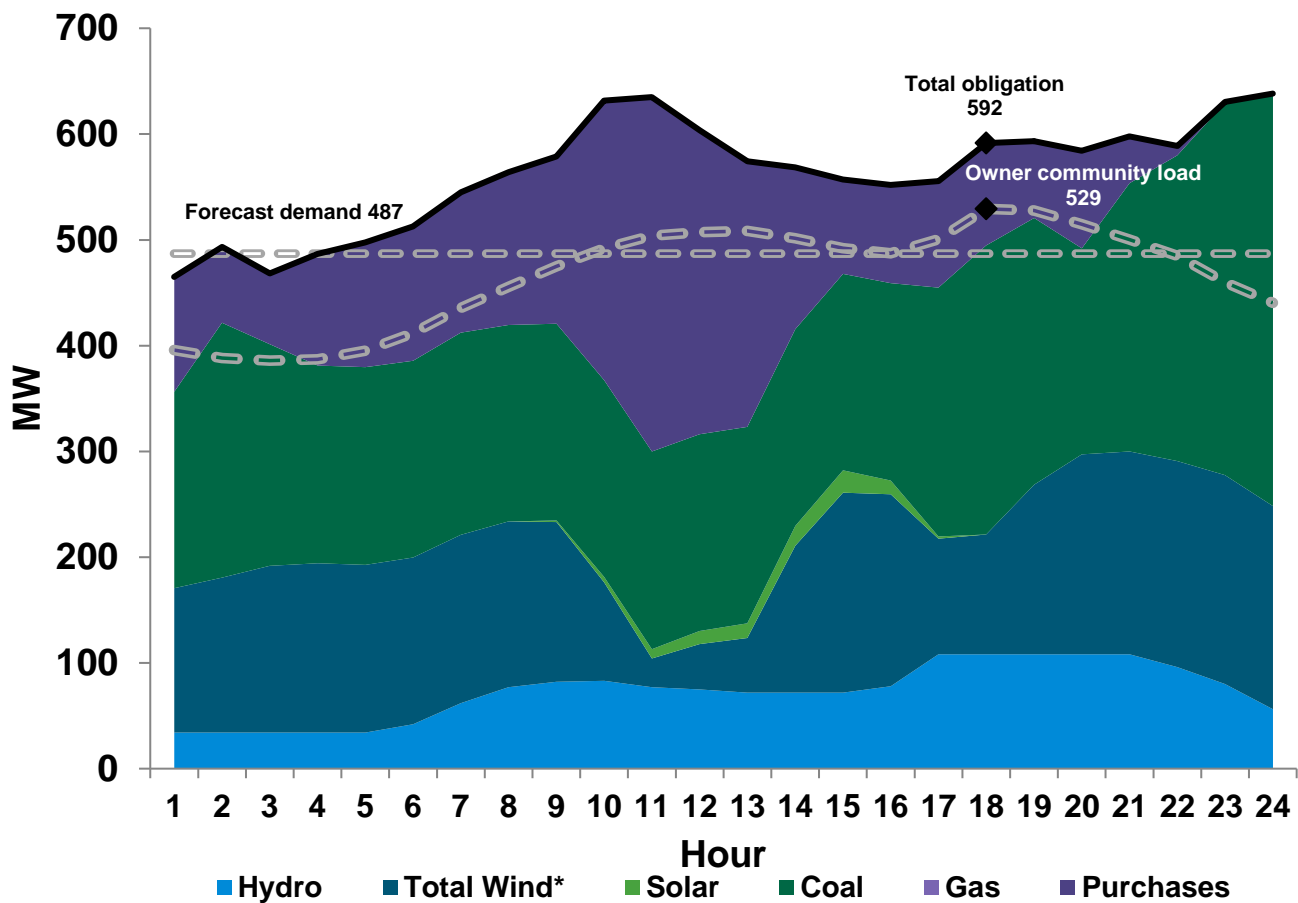
- During the month, CT Units A and D completed successful cold weather testing.
- CT Unit F remains in a hot gas path and combustion inspection outage. This outage will run until the end of May.
- Southwest Power Pool Regional Transmission Organization West (SPP RTOW) training was completed by employees throughout Platte River in January. Courses included a foundation training course, front office training, and back-office training.
- Rawhide Unit 1 was taken offline on Jan. 22 to repair the couplings on coal mill 102. These couplings were damaged during the coal mill fire in October 2023. The unit was returned to service on Jan. 24. All work related to the coal mill 102 fire is complete.
- On Jan. 24, the Western Area Power Administration (WAPA) paused airflow spoiler installation work on the two 115 kV lines which serve Estes Park due to safety concerns. The work is scheduled to resume at the end of February and is anticipated to be completed in mid-March.
- On Jan. 18, Rawhide Prairie solar project returned to service after a full outage that began on Dec. 29. The outage was due to a failed protection transformer on one phase of the breaker protection system. Replacement parts had a long lead time at the time of failure, resulting in an extended outage.
- Extreme cold temperatures occurred Jan. 12 – Jan. 16, 2024, which resulted in gas being intermittently available with an operational flow order on the natural gas transportation system and several natural gas interruptions during the extreme cold event. Rawhide Unit 1 ran at an elevated minimum of 140 MW for reliability. (Normal minimum for Unit 1 is 80 MW.) The cold weather event was managed successfully with sufficient resources to meet owner community loads.
- On Jan. 29, Platte River implemented an operating procedure for the dual circuit outages of the Ault – Rawhide and Ault – Carey 230 kV lines. The plan required that generation injected at the Rawhide bus be kept above a certain level, to ensure that a loss of Rawhide generation would not overload neighboring transmission elements. If generation could not maintain the required levels, firm load would need to be shed. In the past, if there were operational issues with outages like these, Platte River would reschedule the work to be done at a more favorable time. Since the work was critical to Platte River achieving its resource plan, the risk was accepted.

## Peak day

### Peak day obligation

Peak demand for the month was 529 megawatts which occurred on Jan. 15, 2024, at hour ending 18:00 and was 42 megawatts above budget. Platte River's obligation at the time of the peak totaled 592 megawatts. Demand response was not called upon at the time of peak.

### Peak day obligation: Jan. 15, 2024



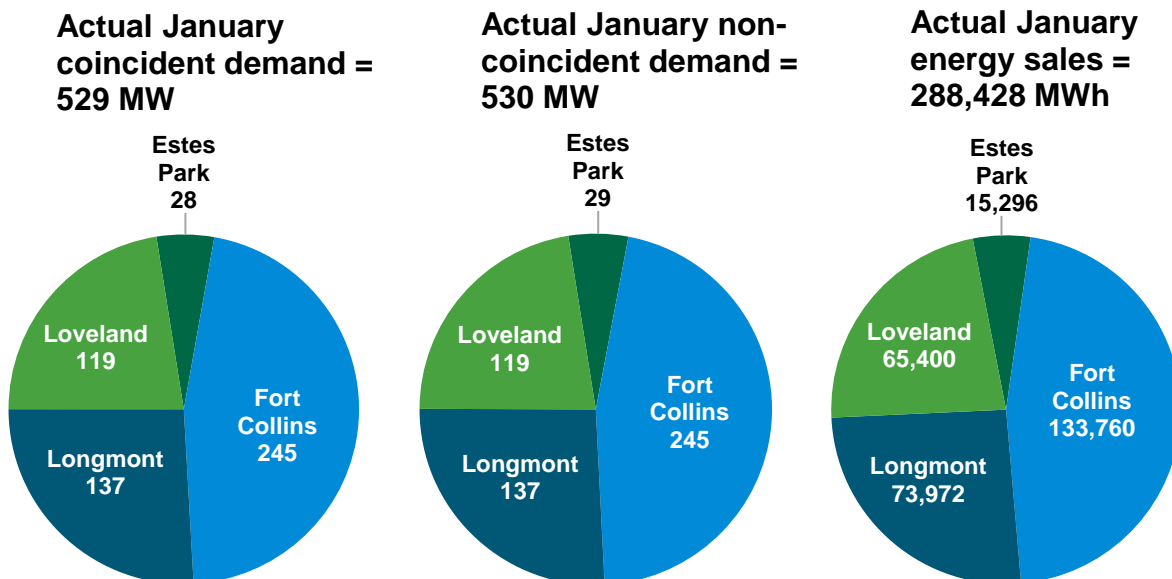
\* Some off-system wind renewable energy credits and associated energy have been sold to another utility and, therefore, cannot be claimed as a renewable resource by Platte River or its owner communities.

## Owner community loads

	Jan. budget	Jan. actual	Minimum	Actual variance	
<b>Coincident demand (MW)</b>	487	529	507	8.6%	●
Estes Park	24	<b>28</b>	13	16.7%	●
Fort Collins	226	<b>245</b>	231	8.4%	●
Longmont	126	137	<b>144</b>	8.7%	●
Loveland	111	119	<b>119</b>	7.2%	●
<b>Non-coincident demand (MW)</b>	489	530	516	8.4%	●
Estes Park	26	<b>29</b>	21	11.5%	●
Fort Collins	226	<b>245</b>	231	8.4%	●
Longmont	126	137	<b>144</b>	8.7%	●
Loveland	111	119	<b>120</b>	7.2%	●
<b>Energy sales (MWh)</b>	286,561	288,428		0.7%	◆
Estes Park	14,681	15,296		4.2%	●
Fort Collins	132,322	133,760		1.1%	◆
Longmont	74,047	73,972		(0.1%)	◆
Loveland	65,511	65,400		(0.2%)	◆

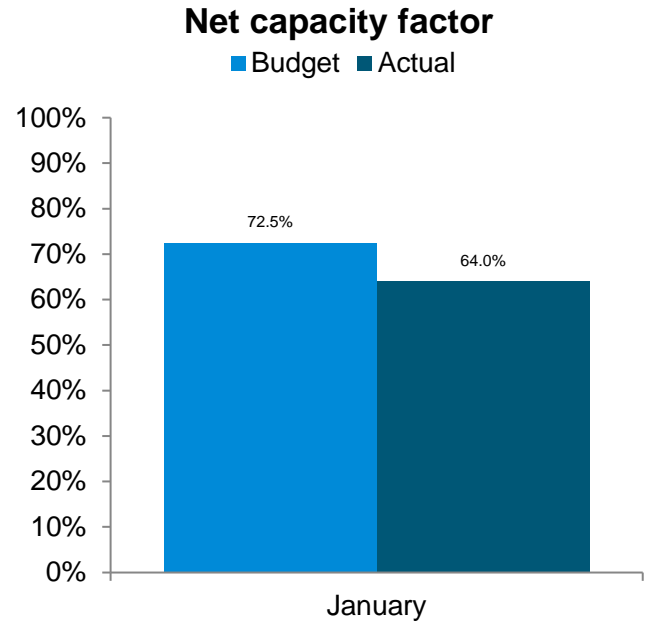
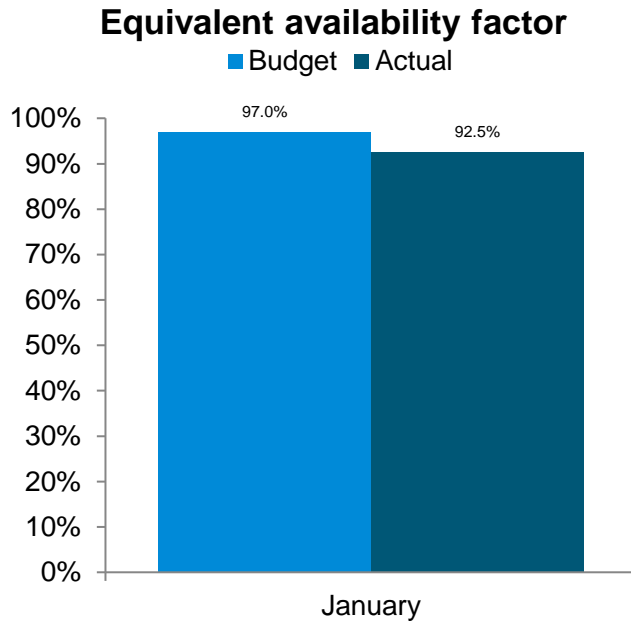
Variance key: Favorable: ● | Near budget: ◆ | Unfavorable: ■

**Note:** The bolded values above were those billed to the owner communities, based on the maximum of either the actual metered demand or the annual minimum ratchet.

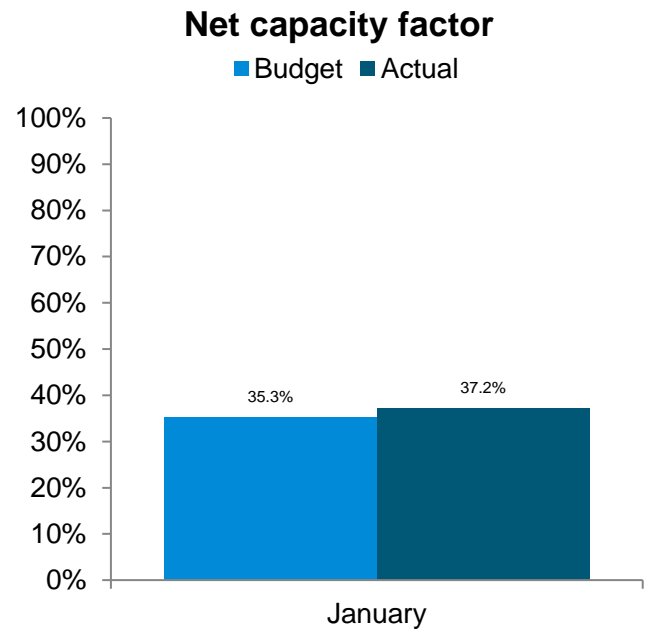
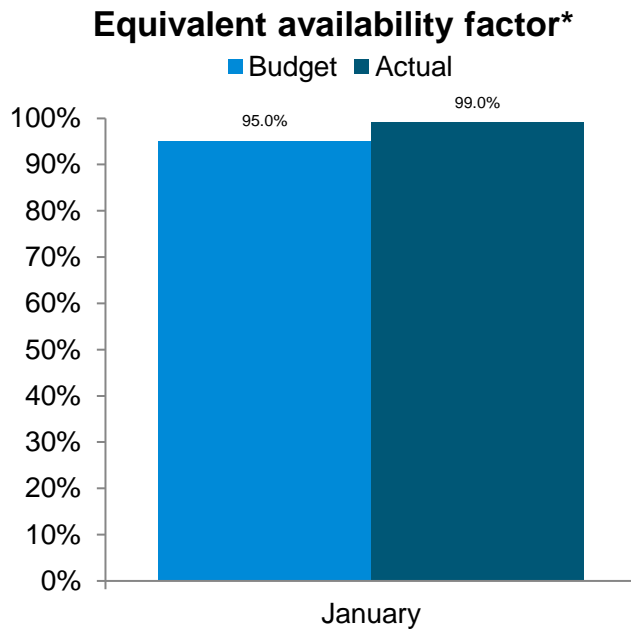


## Thermal resources

### Power generation - Rawhide

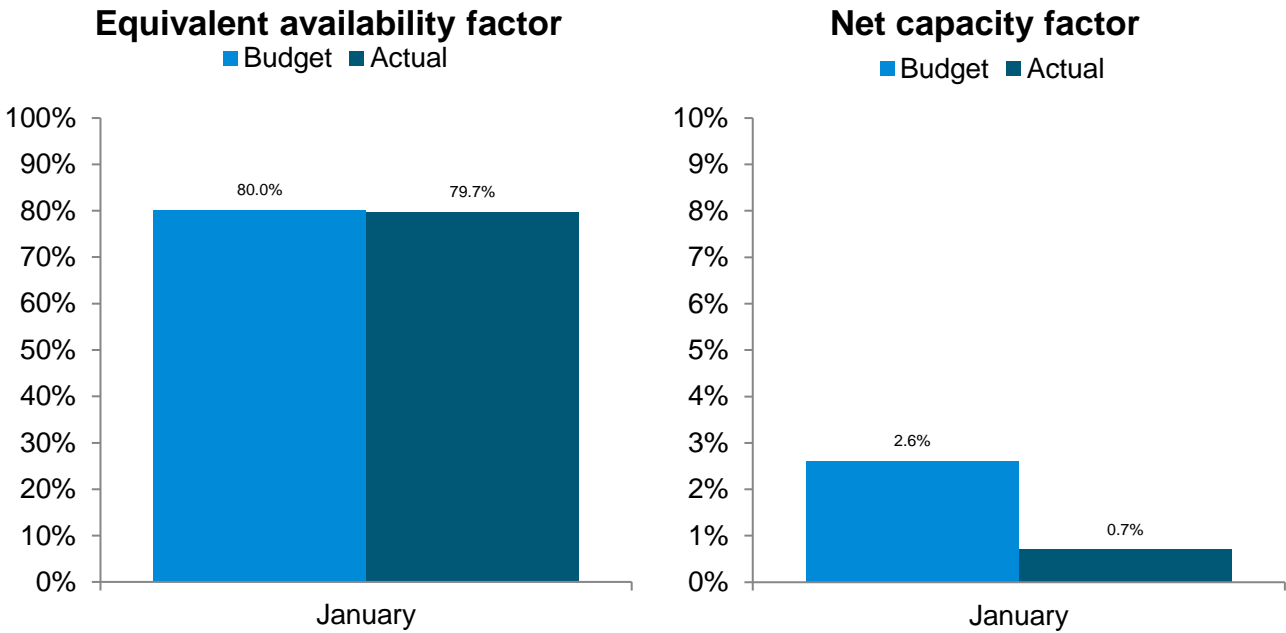


### Power generation - Craig



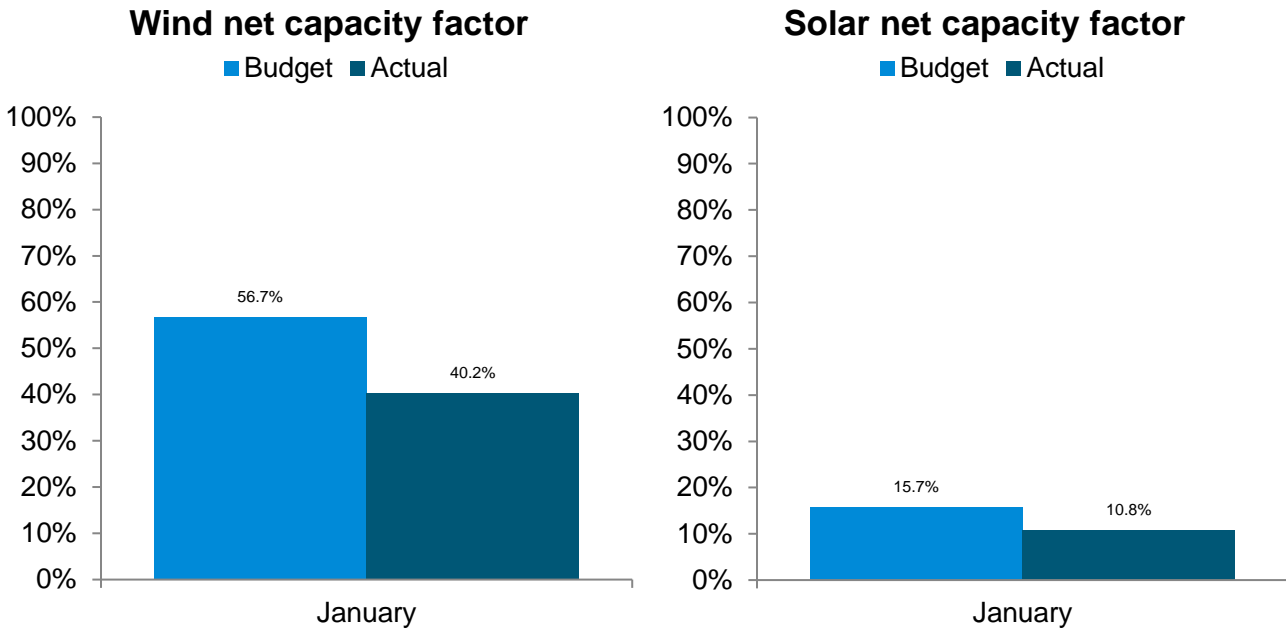
\* Estimated due to a delay of the actual results

Power generation – combustion turbines

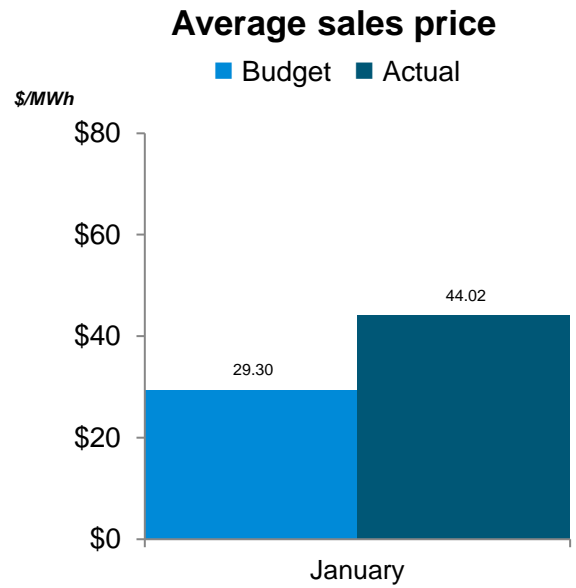
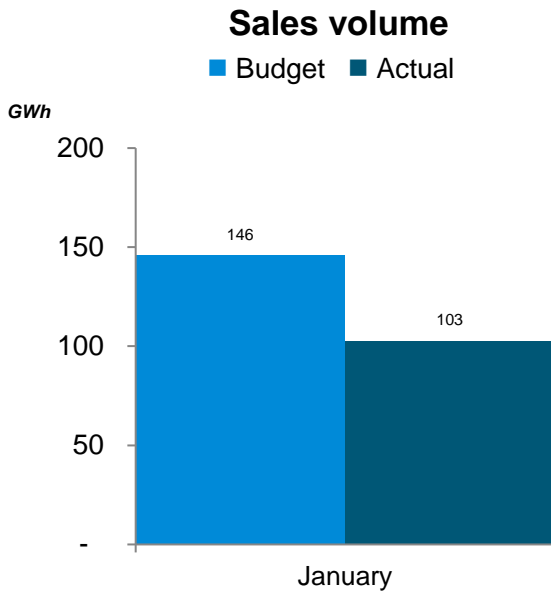


Renewable resources

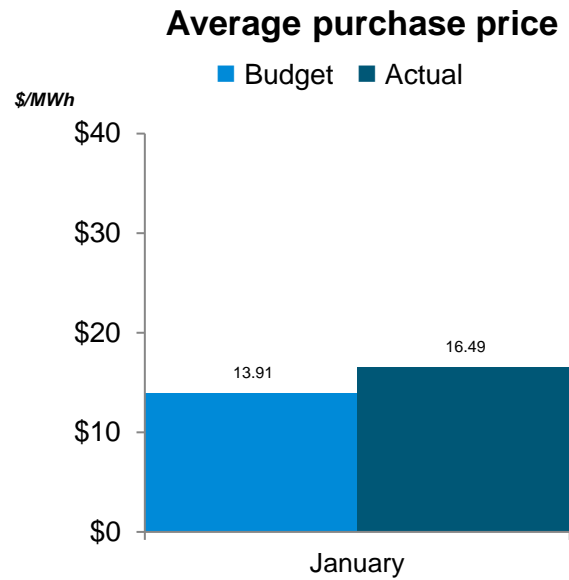
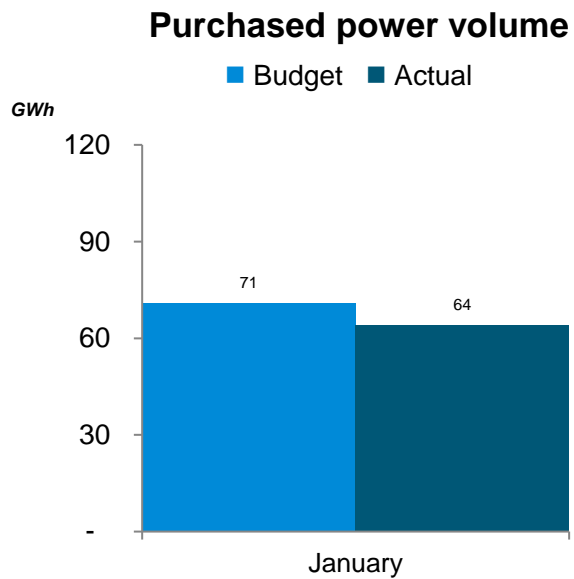
Power generation – wind and solar production



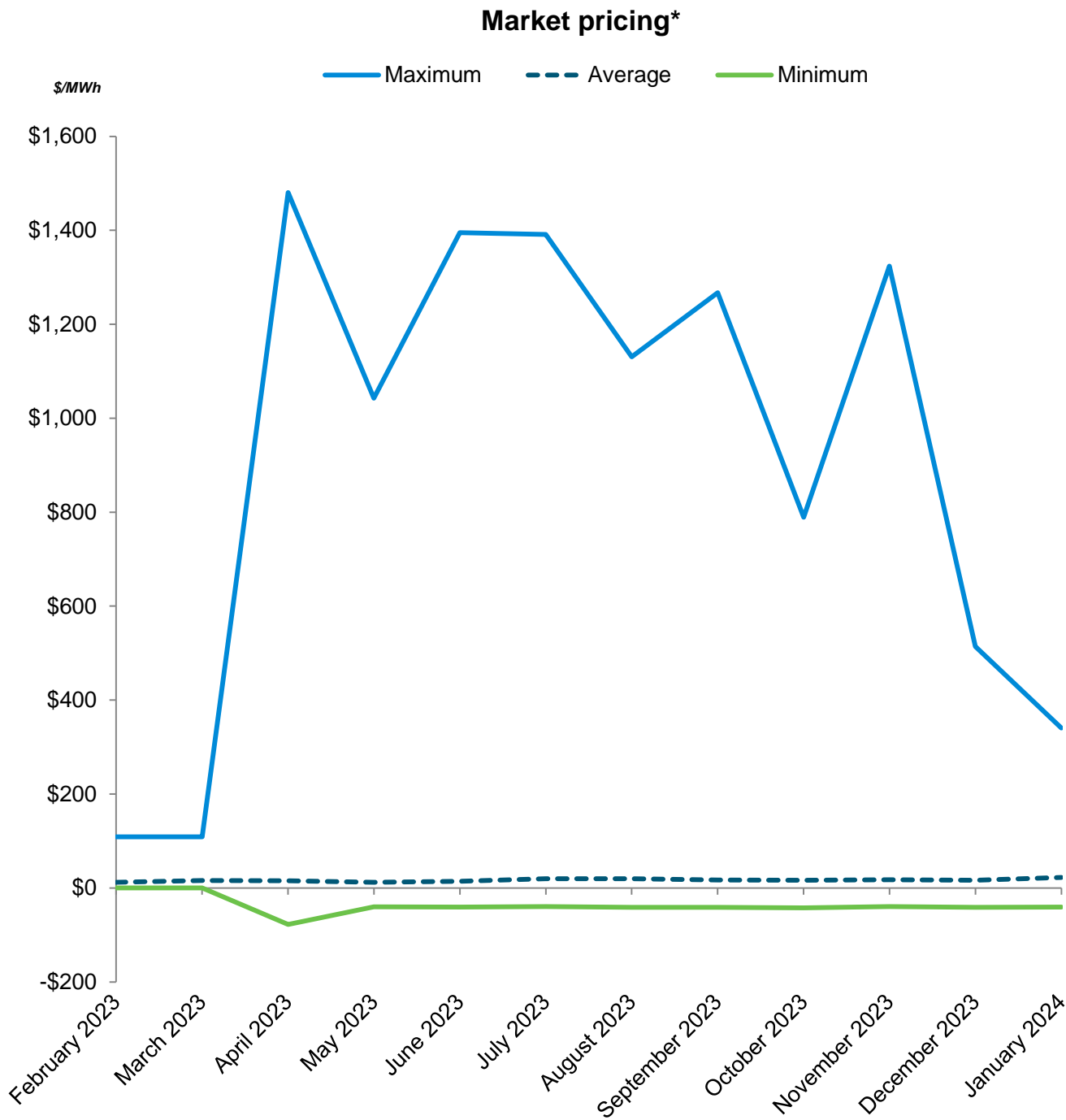
## Surplus sales



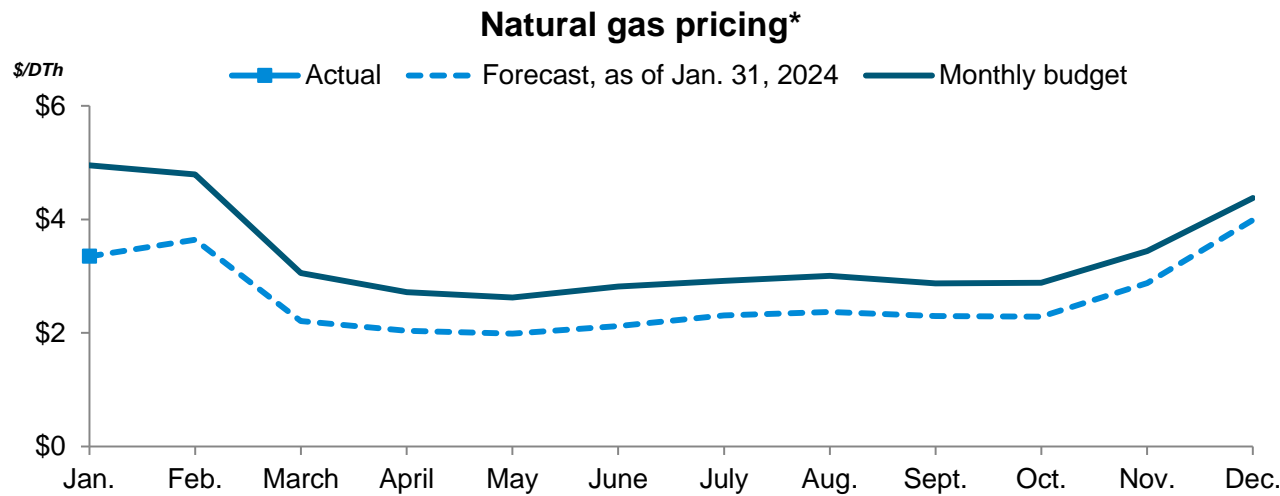
## Purchased power



# Market pricing

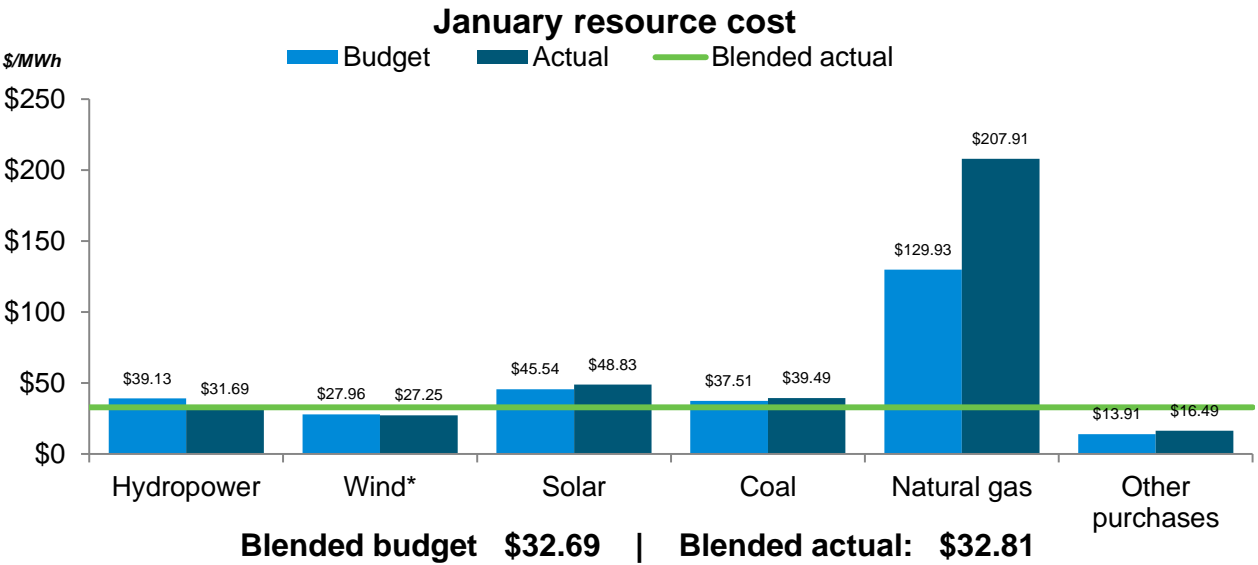
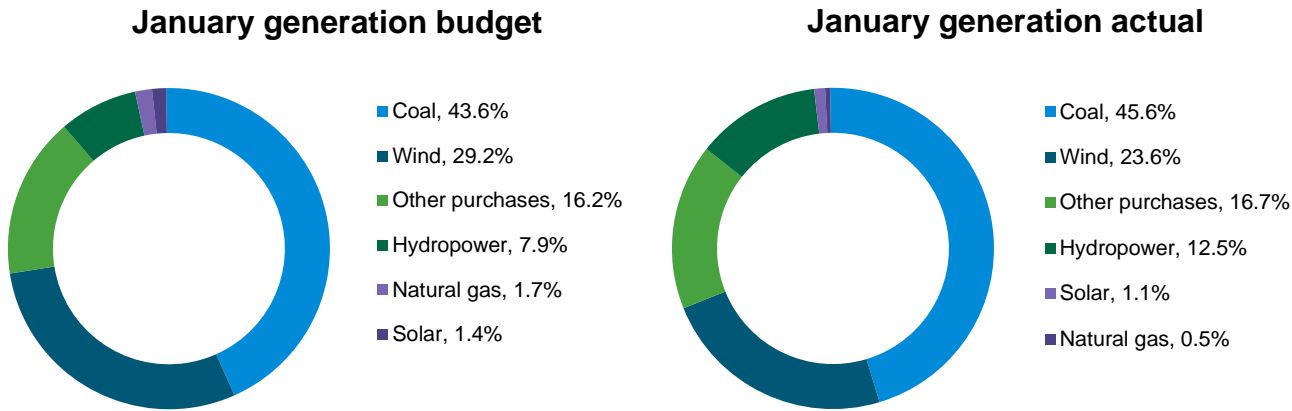


## Natural gas pricing



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

# Total resources



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





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# Financial report

January 2024





## Financial highlights year to date

Platte River reported favorable results year to date. Change in net position of \$2.6 million was favorable by \$2.3 million compared to budget due to below-budget operating expenses, above-budget revenues and above-budget unrealized gains and interest income on investments.

Key financial results <sup>(1)</sup> (\$ millions)	January			Favorable (unfavorable)		Annual budget
	Budget	Actual				
Change in net position	\$ 0.3	\$ 2.6	●	\$ 2.3	766.7%	\$ 7.3
Fixed obligation charge coverage	1.54x	2.09x	●	0.55x	35.7%	1.89x

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

(1) The key financial results for the annual budget reflect projected deferred revenues of \$14 million according to the deferred revenue and expense accounting policy discussed in the other financial information section. The actual deferral will be determined at the end of the year.

At this time, the 2023 entries to update the pension liability are not complete because the actuary report is not received until mid-February. As a result, financial statements are not included in this report.

## Budgetary highlights year to date

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

Key budgetary results (\$ millions)	January			Favorable (unfavorable)		Annual budget
	Budget	Actual				
<b>Total revenues</b>	\$ 25.8	\$ 26.5	●	\$ 0.7	2.7%	\$ 313.0
Sales to owner communities	19.2	19.5	◆	0.3	1.6%	235.7
Sales for resale - long-term	2.0	1.3	■	(0.7)	(35.0%)	20.1
Sales for resale - short-term	2.8	3.8	●	1.0	35.7%	36.4
Wheeling	0.8	0.8	◆	0.0	0.0%	8.9
Interest and other income	1.0	1.1	●	0.1	10.0%	11.9
<b>Total operating expenses</b>	\$ 21.7	\$ 20.0	●	\$ 1.7	7.8%	\$ 242.7
Purchased power	6.1	5.4	●	0.7	11.5%	63.8
Fuel	4.4	3.8	●	0.6	13.6%	51.1
Production	4.8	4.8	◆	0.0	0.0%	55.8
Transmission	2.2	2.1	●	0.1	4.5%	21.4
Administrative and general	3.3	3.4	■	(0.1)	(3.0%)	36.9
Distributed energy resources	0.9	0.5	●	0.4	44.4%	13.7
<b>Capital additions</b>	\$ 4.7	\$ 0.8	●	\$ 3.9	83.0%	\$ 53.2
<b>Debt service expenditures</b>	\$ 1.9	\$ 1.9	◆	\$ -	0.0%	\$ 18.7

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

### Total revenues, \$0.7 million above budget

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

- **Sales for resale - long-term** were below budget \$0.7 million due to no calls on capacity contracts and below-budget wind generation resold to third parties.
- **Sales for resale - short-term** were above budget \$1 million as average prices were 66% above budget, partially offset by 17.9% below-budget energy volume.
- **Interest and other income** was above budget \$0.1 million primarily due to higher interest income earned on investments.

## Total operating expenses, \$1.7 million below budget

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

- **Purchased power** was \$0.7 million below budget. The below-budget expenses include: 1) wind generation, 2) solar generation and 3) purchased reserves due to a lower rate than anticipated. The above-budget expenses include: 1) net energy delivered from Tri-State Generation and Transmission Association, Inc. (Tri-State) under the forced outage assistance agreement, 2) hydropower purchases due to favorable conditions and 3) bilateral purchases to replace baseload generation during outages and curtailments.
- **Fuel** was \$0.6 million below budget.
  - Natural Gas** 83% of the overall variance, \$0.5 million below budget. Generation was below budget primarily due to no calls on capacity contracts. Price was below budget due to lower market prices.
  - Coal - Rawhide Unit 1** 67% of the overall variance, \$0.4 million below budget. Generation was below budget due to lower-cost energy available in the WEIS market, an unplanned outage and curtailments. Price was below budget due to a lower transportation base rate.
  - Coal - Craig units** (50%) of the overall variance, \$0.3 million above budget. Generation was above budget primarily to serve load. Price was above budget due to an updated price from Trapper Mine as total projected production from the mine decreased, increasing cost per ton delivered.
- **Distributed energy resources** were \$0.4 million below budget due to the unpredictability of the completion of customers' energy efficiency projects, below-budget personnel expenses and consulting services.

## Capital additions (year-end estimates as of January 2024)

The projects listed below are projected to end the year with a budget variance of more than \$100,000. In addition, the amounts below are costs for 2024 and may not represent the total cost of the project. Further changes to capital projections are anticipated and staff will continue to monitor spending estimates to ensure capital projects are appropriately funded.

Project (\$ in thousands)	2023 budget	Estimate	Favorable (unfavorable)	Carryover request
<b>Above budget projects</b>				
** <b>Solar substation 230 kV - Severance Substation</b> - This project will be above budget due to design and cost increases. Primary cost drivers include professional services, land rights and crossing agreements, substation materials and substation construction services.	\$ 10,156	\$ 18,079	\$ (7,923)	\$ -
<b>Delayed projects</b>				
** <b>Circuit breakers replacement 592, 596 - Ault Substation WAPA</b> - This project will be delayed due to a change in WAPA's schedule. <i>The below-budget funds will be requested to be carried over into 2025.</i>	\$ 878	\$ -	\$ 878	\$ 878

Project (\$ in thousands)	2023 budget	Estimate	Favorable (unfavorable)	Carryover request
<b>** Circuit breakers replacement 492, 1092, 3124, 3224 - Ault Substation WAPA</b> - This project will be delayed due to a change in WAPA's schedule. <i>The below-budget funds will be requested to be carried over into 2025.</i>				
	\$ 752	\$ -	\$ 752	\$ 752

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

\*\* Project is new to the report.

## Debt service expenditures

The outstanding principal for Series JJ and KK represents debt associated with transmission assets (\$104.6 million) and the Rawhide Energy Station (\$21.3 million). Principal and interest payments are made June 1 and interest only payments are made Dec. 1. The table below shows current debt outstanding.

Series	Debt outstanding \$/thousands	Par issued \$/thousands	True interest cost	Maturity date	Callable date	Purpose
Series JJ - April 2016	\$ 102,320	\$ 147,230	2.2%	6/1/2036	6/1/2026	\$60M new money for Rawhide & transmission projects & refund portion of Series HH (\$13.7M NPV/12.9% savings)
Series KK - December 2020	23,550	\$ 25,230	1.6%	6/1/2037	N/A*	Refund a portion of Series II (\$6.5M NPV/27.6% savings)
Total par outstanding	125,870					
Unamortized bond premium	9,428					
Total revenue bonds outstanding	135,298					
Less: due within one year	(12,790)					
Total long-term debt, net	\$ 122,508					

Fixed rate bond premium costs are amortized over the terms of the related bond issues.

\*Series KK is subject to prior redemption, in whole or in part as selected by Platte River, on any date.

## Contingency appropriation

At this time, capital additions and debt service expenditures are expected to be above budget at the end of the year. A budget contingency appropriation may be required to cover the additional expenses in 2024. Staff will evaluate the budgetary results at the end of the year and apply the contingency appropriation accordingly.

## Other financial information

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



**Budget schedules**

## Schedule of revenues and expenditures, budget to actual

### January 2024 year-to-date

Non-GAAP budgetary basis (in thousands)

	January year to date		Favorable	Annual
	Budget	Actual	(unfavorable)	budget
<b>Revenues</b>				
<i>Operating revenues</i>				
Sales to owner communities	\$ 19,172	\$ 19,481	\$ 309	\$ 235,737
Sales for resale - long-term	2,058	1,305	(753)	20,086
Sales for resale - short-term	2,787	3,798	1,011	36,356
Wheeling	803	844	41	8,942
Total operating revenues	24,820	25,428	608	301,121
<i>Other revenues</i>				
Interest income <sup>(1)</sup>	833	923	90	11,569
Other income/(loss)	194	156	(38)	282
Total other revenues	1,027	1,079	52	11,851
Total revenues	\$ 25,847	\$ 26,507	\$ 660	\$ 312,972
<b>Expenditures</b>				
<i>Operating expenses</i>				
Purchased power	\$ 6,081	\$ 5,365	\$ 716	\$ 63,776
Fuel	4,431	3,790	641	51,119
Production	4,737	4,764	(27)	55,842
Transmission	2,240	2,134	106	21,412
Administrative and general	3,266	3,378	(112)	36,863
Distributed energy resources	928	542	386	13,664
Total operating expenses	21,683	19,973	1,710	242,676
<i>Capital additions</i>				
Production	545	328	217	12,363
Transmission	2,933	337	2,596	21,957
General	1,160	169	991	17,979
Asset retirement obligations	78	-	78	933
Total capital additions	4,716	834	3,882	53,232
<i>Debt service expenditures</i>				
Principal	1,482	1,429	53	14,015
Interest expense	422	440	(18)	4,667
Total debt service expenditures	1,904	1,869	35	18,682
Total expenditures	\$ 28,303	\$ 22,676	\$ 5,627	\$ 314,590
Contingency reserved to board	-	-	-	56,000
Total expenditures and contingency	\$ 28,303	\$ 22,676	\$ 5,627	\$ 370,590
<b>Revenues less expenditures and contingency</b>	\$ (2,456)	\$ 3,831	\$ 6,287	\$ (57,618)

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



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# General management report

January 2024





## Business Strategies

### Communications, marketing and external affairs

For the November-January period, communications, marketing and external affairs staff completed the following.

#### Communications

##### Strategic communications

- Hosted second 2024 Integrated Resource Plan (IRP) community listening session, providing resource planning and modeling updates to nearly 90 community members (in-person and virtual); collaborated with Longmont Power & Communications on IRP community update to civic groups; supported resource planning with draft planning of the IRP document with the development of a schedule and content outline
- Proactively engaged with media to share details about Platte River's operations and resource planning efforts
- Represented Platte River at the American Public Power Associate Customer Connections Conference in San Antonio, Texas
- Refined outage communications strategy with Estes Park Power & Communications
- Produced a 50<sup>th</sup> commemorative video capturing reflections from employees, retirees and a board member about Platte River's milestone year
- Sent out press releases and media advisories about transmission work in Longmont, Western Area Power Administration (WAPA)-led transmission work in Estes Park, and announcement of new board member Tyler Marr (Fort Collins)

##### Community relations

- Hosted a grant check presentation for participating teachers and students in the NoCo Time Trials and provided a preview of the 2024 event
- Concluded record-breaking United Way fall fundraising campaign and raised nearly \$100,000 in employee donations and Platte River's increased \$25,000 Cornerstone Partner contribution
- Delivered gifts purchased by Platte River and employees to support more than 40 families sponsored by the Boys & Girls Clubs of Larimer County Adopt a Family Holiday program
- Facilitated annual Christmas Bird Count by the National Audubon Society at the Rawhide Energy Station
- Met with several community chambers of commerce to identify business and public community event, communications and sponsorship opportunities
- In final stages of developing a formal community engagement strategy that supports community relations, engagement and support activities for Platte River in 2024 and beyond

## Marketing

- Developed and deployed:
  - Successful holiday campaign during December
  - Brand awareness campaign for Efficiency Works™, spanning across radio advertising, digital channels and social media, running from November through the end of January
  - Outreach plans for Efficiency Works Business programs, including a social media campaign, letters to past participants, and targeted email campaign; updated and translated resource sheets into Spanish for small and medium businesses and multifamily properties
  - Outreach plans for Efficiency Works Homes programs, including a social media campaign, direct mail postcard, and a targeted email campaign promoting home assessments
  - Launched the Efficiency Works EV Fleet Planner tool and translated existing EV information site to Spanish
  - Made essential updates to the Efficiency Works website to include program information for 2024
  - Continued a long-term project to streamline and update the Efficiency Works mission and vision; completion target is February 2024

## External affairs

- Attended:
  - Colorado Energy Office's greenhouse gas roadmap update utilities roundtable
  - State Chamber of Commerce legislative kickoff event
  - State Chamber of Commerce Energy and Environment Committee meeting
  - Fort Collins' elected officials' swearing in ceremony
  - Fort Collins December 2023 energy board meeting
  - Loveland Utilities Commission meeting
- Participated in the Colorado of Energy Office's feedback processes and stakeholder conversations about their upcoming net-zero by 2040 bill (sponsored by Rep. Judy Amabile, D-49, Larimer and Boulder counties)
- Met with Rep. Judy Amabile to introduce her to Platte River and discuss the net-zero by 2040 bill
- Conducted quarterly check-ins with owner communities' legislative staff
- Toured the state capitol building ahead of the 74<sup>th</sup> session of the General Assembly
- Launched an internal bi-weekly external affairs memorandum for leadership to elevate government affairs stories of impact to Platte River (such as changes in state and local leadership)

- Formally responded to constituent letter submitted to Platte River about progress on the Resource Diversification Policy

## Grants update

- Submitted two concept papers for the Department of Energy's Grid Resilience Innovation Partnerships program competition
  - Concept paper 1: \$32M substation improvement project (40% federal funds, 60% cost share) with Fort Collins Utilities and Longmont Power and Communications
  - Concept paper 2: \$76M virtual power plant (VPP) project (40% federal funds, 60% cost share) with all four owner communities
  - Opted not to join a multi-state VPP project proposal because we could not submit two proposals for our VPP work
  - The U.S. Department of Energy will communicate whether we move on to the full application phase in February (substations) and March (VPP)
- Continued internal due diligence on compliance requirements for grants and explored options for a compliance readiness assessment
- Submitted a list of questions about direct pay to Nixon Peabody

## Human resources

- The compensation study was completed in January 2024 and implemented. Each employee received an impact letter that clearly communicated individual outcomes
- Leadership of human resources and safety developed a high-level strategic plan for the departments
- Human resources team members announced a new immersion onboarding program to the organization. The program will ensure new employees are effectively assimilated into the organization and help increase retention rate

## Safety

- Safety staff
  - Collaborated with other leadership to develop the annual Focus on Safety Awards, along with a new "safety challenge coin" initiative for presentation at the end-of-year business meeting
  - Collaborated with human resources in a leadership effort to develop strategic planning initiatives for Platte River
  - Successfully supported two unplanned short-term outages at Rawhide without injury or incident
- The safety manager attended the annual Coal Users' Group conference and presented on Safety Culture and Young Leaders

<b>Injury statistics</b>	<b>2022 year end</b>	<b>2023 year end</b>	<b>YTD through January 2023</b>	<b>YTD through January 2024</b>
Recordable injury rate	1.25	1.98	3.81	0.00
DART	0.83	0.39	0.00	0.00
Lost time rate	0.00	0.39	0.00	0.00

Platte River sustained zero recordable or lost time injuries in December 2023 and January 2024.

## Emergency response team

- Three scheduled emergency response team (ERT) trainings took place at Rawhide in December and January.
- The annual ERT appreciation luncheon was held at Rawhide with a badge pinning and swearing-in ceremony for new members.
- The emergency services specialist and Rawhide engineering staff collaborated to effectively communicate to the public and emergency service providers in our area about our natural gas pipeline t. This will be an ongoing initiative to include tabletop drills at Local Emergency Planning Committee meetings and during tours of Rawhide for those emergency agencies.

## Financial

### 2023 budget contingency

At the December board meeting, the board adopted a contingency transfer of up to \$5.0 million potentially needed for above-budget expenses. The actual contingency transfer required was \$0.3 million to cover additional financing expenses from implementing GASB Statement No. 96, Subscription-Based Information Technology Arrangements.

### Financial statements

Staff members cannot finalize financial statements until they receive the actuarial report for the pension plan and can update the pension liability. The internal financial report included in the board materials for December and January will include budget schedules only. The final audit report will include all financial statements.

### Yampa audit

The Yampa project audit team conducted the audit of expenses billed by the Yampa operating agent for calendar year 2022. Costs invoiced to the participants by the Yampa operating agent were in accordance with the Yampa Project Amended and Restated Participation Agreement dated April 15,

1992. The final audit report noted two findings but they were not considered significant. The audit team will confirm the findings have been resolved as part of the next audit.

## Clean energy transition and integration

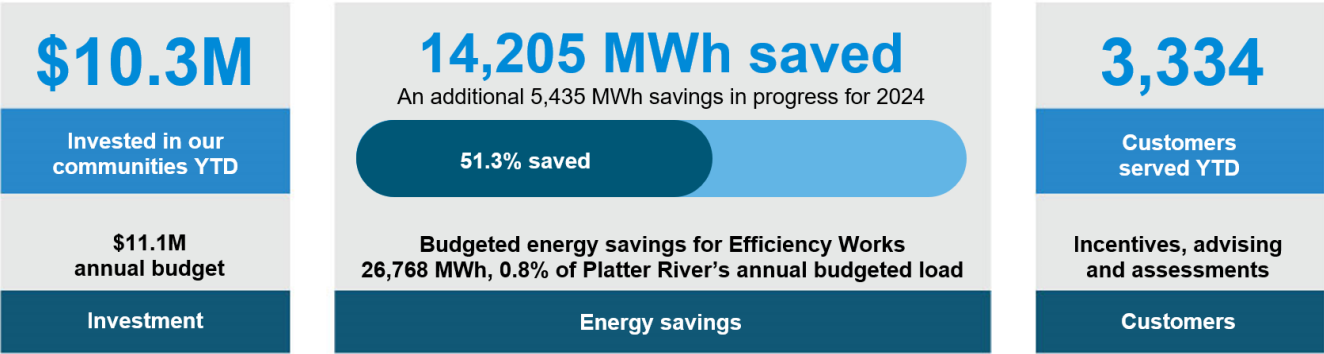
### Distributed energy solutions

The distributed energy solutions department continued to transition Efficiency Works customer programming into 2024, with a growing focus on educating customers on how they use energy to better inform home business retrofits across the distributed energy resource technology spectrum. Key department achievements from November 2023 through January 2024 include:

- Efficiency Works Homes completed the first year with an increased emphasis on serving the Income Qualified (IQ) residential market with more comprehensive retrofits and unified residential programming, including energy efficiency and building electrification upgrades. This effort used a new energy advising approach of engaging with more customers to achieve more comprehensive home retrofits, with the most impactful year for IQ customers in Efficiency Works history. These changes enhanced access to additional external funds to support our IQ communities, more than tripling annual investment to support IQ home upgrades. These efforts have resulted in the following feedback:
  - According to our partner Energy Outreach Colorado, “The Efficiency Works efforts are the most ambitious goals in the state along with being the most well-funded.”
  - One participant gave feedback: “According to my Fort Collins home energy report, my home is now one of the most efficient on the street, and it’s all thanks to the Efficiency Works Care program completing my upgrades.”
- The continued expansion of the commercial Building Tune-up program by completing retro-commissioning efforts on 28 facilities, with another 47 in progress for anticipated completion in 2024. For additional context, this program was redesigned and relaunched in 2021; before relaunch, the program completed, on average, four projects annually.
- With the shift of the market-rate residential programs from an efficiency-only focus to a balance of efficiency and building electrification in April 2023, the Efficiency Works Homes team increased participation to complete over 900 residential upgrades and 723 home assessments. Through a new program offering, we also provided nearly 1,300 hours of energy advising to residential customers. This programming shift required an expansion of incentives focused on heat pump technologies, along with training local contractors. Participating service providers nearly doubled compared to the previous eight years.
- Efficiency Works consumer engagement and business teams joined efforts to expand the electric vehicle (EV) website offerings. We launched a new EV-specific landing page, expanded EV charging information, and translated the EV shopper website into Spanish. In addition to expanding the EV shopper web platform, Efficiency Works Business completed the EV fleet calculation tool for commercial customers interested in transitioning their traditional-fuel-based fleets to electric vehicles. While partnering with J.D. Power on the build out and deployment of the EV fleet calculation tool, Platte River staff was able to launch this tool faster than any other utility in the country, according to the J.D. Power team.

In 2023, Efficiency Works programs achieved:

- 14,205 MWh of energy savings completed, with an additional 5,435 MWh savings in progress to be completed in 2024.
- 1,595 KW summer peak reduction.
- 2,735 residential and 599 business customer interactions with program offerings. An additional 2,399 students were served through program offerings in the owner communities.
- \$10.3 million invested in our communities, including incentives and administrative costs incurred.



### Digital departments

The digital department encompasses various domains, including enterprise infrastructure, enterprise applications, operational technology, telecommunications and fiber optics, client technology and security, and information and cyber governance.

The following are updates on key in-process and completed department initiatives and activities.

### System Implementations

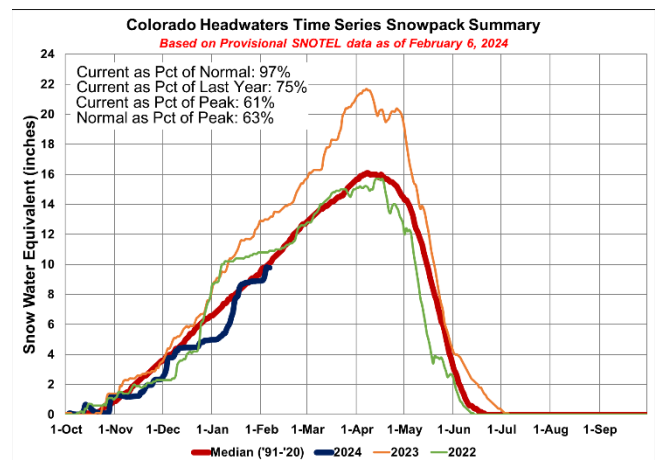
- Oracle Cloud Fusion Enterprise Resource Planning system implementation
  - The first conference room pilot testing for Oracle Work and Asset Cloud Service and Field Service Cloud concluded in mid-January.
  - Staff tested a total of 117 usage scenarios with zero failures. A total of 43 issues were logged, and those will be addressed during design sessions in the following weeks.
  - The team has tested 304 usage scenarios with a success rate of 96%. Some failures have already been addressed and others will be addressed and retested before system integration testing in March and April. These testing sessions will wrap up in mid-February.
  - The change management team is engaging with Platte River employees to inform them of the training and other opportunities to learn about the new system over the next few months.

- OSI Energy Management System implementation
  - Inter-Control Center Communications Protocol connectivity testing has started with Tri-State Generation and Transmission Cooperative, WAPA, Public Service Company of Colorado, and the Southwest Power Pool.
  - Database conversion continues with a heavy focus on validating and testing calculations. Expecting this critical path activity to run through April.
  - Supervisory Control and Data Acquisition (SCADA) point-to-point checkout using spare Remote Terminal Unit is underway, expected to run through July. This will provide a high degree of confidence in the SCADA database and all analog and digital points.
  - Network model being finalized, waiting for completion of SCADA database to link SCADA points to network model. This will be the foundation for Platte River's first operational state estimator and real-time contingency analysis applications.

## Operations

### Fuels and water

After the first three months of the water year, snowpack in the upper Colorado river basin stood at only 75% of historical average. But a series of significant snowstorms in January boosted values to nearly normal by the end of the month (see graph). Long-range forecasts indicate a normal precipitation outlook for the remainder of the winter season. Based on these conditions, initial runoff forecasts for the Colorado-Big Thompson system show Lake Granby will likely fill completely, leaving no storage space for Windy Gap water and preventing the Windy Gap project from pumping in 2024. Staff will continue to monitor snowpack and water supply forecasts and adjust operations as final conditions come into focus.



Recent work at Chimney Hollow reservoir has progressed well, as site conditions have allowed much of the work to continue unimpeded by winter weather (see image). The concrete lining of the downstream portion of the inlet-outlet tunnel is nearly half complete, while tunneling in the upstream portion is expected to “hole through” and reach the downstream portion by early March. Even though cold temperatures have hampered asphalt placement over the last two months, the main dam embankment has continued to rise on either side of the dam core. Asphalt placement is scheduled to resume in February, as temperatures permit, and is expected to catch up quickly to the embankment elevation. Overall, the project remains on track for completion in the fall of 2025.



Chimney Hollow reservoir main dam construction (looking southwest)