



Estes Park • Fort Collins • Longmont • Loveland

Board of directors regular meeting

2000 E. Horsetooth Road, Fort Collins, CO 80525
Thursday, April 25, 2024, 9 a.m.

Call to order

1. Board secretary delegation of duties
2. Consent agenda
 - a. Minutes of the regular meeting of March 28, 2024

Motion to accept
Motion to approve

Public comment

Board action items

3. 2023 FORVIS financial audit report
4. Acceptance of the 2023 annual report

Motion to approve
Motion to accept

Management presentations

5. Evolution of distributed energy solutions
6. VPP series: Virtual power plant
7. Water and Chimney Hollow Reservoir update
8. IRP community engagement update

Management reports

9. Wholesale rate projections
10. Draft 2024 Integrated Resource Plan

Monthly informational reports - March

11. Q1 performance dashboard
12. Legal, environmental and compliance report
13. Resource diversification report
14. Operating report
15. Financial report
16. General management report

Strategic discussions

Adjournment



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2024 board meeting planning calendar

Updated April 17, 2024

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
	Draft 2024 Integrated Resource Plan	Water resources reference document (updated version)	Resource diversification report
			Operating report
			Financial report
			General management report

June 7-12, 2024

APPA National Conference (San Diego, CA)



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July 25, 2024

Board action items	Management presentations	Management reports	Monthly informational reports
2024 Integrated Resource Plan	Fiber management intergovernmental agreement amendment	Legislative session recap	Q2 performance dashboard
	One-year WEIS participation (April 1, 2023 – March 31, 2024) & SPP RTO West update		Legal, environmental and compliance report
			Resource diversification report
			Operating report
Committee report			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	Rawhide transition plan update		Legal, environmental and compliance report
			Resource diversification report
			Operating report
			Financial report
			General management report



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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
Committee report			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	Long-term fuel supply strategy		Legal, environmental and compliance report
			Resource diversification report
			Operating report
			Financial report
			General management report

November 2024

No board of directors meeting



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Dec. 12, 2024

Board action items	Management presentations	Management reports	Monthly informational reports
2024 budget contingency appropriation transfer (if required)	Transmission rate design changes	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 Elect Gary Hall

April 2028

Reuben Bergsten

December 2024

City of Fort Collins

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

Mayor Jeni Arndt—Vice Chair, Board of Directors

January 2026

Tyler Marr

December 2026

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—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.



Platte River Power Authority

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Memorandum

Date: 4/17/2024

To: Board of Directors

From: Angela Walsh, executive director of board and administration board secretary

Cc: Esther Velasquez, senior executive assistant

Subject: **Delegation of secretary duties**

For the limited purpose of board secretary duties at the April 25, 2024, board meeting, I, Angela Walsh, wish to delegate my powers and responsibilities as board secretary to Esther Velasquez, senior executive assistant.

Section 2.4 of the ORGANIC CONTRACT lists the officers of Platte River and describes their duties, including the board secretary.

Section 2.4.3 (iii) sets out the duties of the secretary to maintain the official records of the Authority, including all resolutions and regulations approved by the board of directors, the minutes of meetings of the board of directors, and will issue a notice of meetings, attest and affix the corporate seal to all documents of the Authority, and perform such other duties as the board of directors may prescribe.

Platte River's Fiscal Resolution (25-16) authorizes the general manager and treasurer to delegate responsibilities to appropriate staff members. But the Fiscal Resolution does not authorize the secretary or assistant secretary to delegate their duties. Through this memorandum, I ask the board for a motion of acceptance to ratify delegation of my duties to Esther Velasquez for the April 25, 2024 meeting.



Platte River Power Authority

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Memorandum

Date: 4/17/2024

To: Board of Directors

From: Sarah Leonard, general counsel, assistant board secretary

Cc: Jennifer Hammitt, director, legal affairs

Subject: **Delegation of assistant secretary duties**

For the limited purpose of board assistant secretary duties at the April 25, 2024, board meeting, I, Sarah Leonard, wish to delegate my powers and responsibilities as the board's assistant secretary to Jennifer Hammitt, director of legal affairs.

Section 2.4 of the ORGANIC CONTRACT lists the officers of Platte River and describes their duties, including the board secretary.

Section 2.4.3 (iii) sets out the duties of the secretary to maintain the official records of the Authority, including all resolutions and regulations approved by the board of directors, the minutes of meetings of the board of directors, and will issue a notice of meetings, attest and affix the corporate seal to all documents of the Authority, and perform such other duties as the board of directors may prescribe.

Platte River's Fiscal Resolution (25-16) authorizes the general manager and treasurer to delegate responsibilities to appropriate staff members. But the Fiscal Resolution does not authorize the secretary or assistant secretary to delegate their duties. Through this memorandum, I ask the board for a motion of acceptance to ratify delegation of my duties to Jennifer Hammitt for the April 25, 2024 meeting.



Platte River Power Authority

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Memorandum

Date: 4/17/2024

To: Board of directors

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

Subject: **Consent agenda – April**

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

Attachment

- Minutes of the regular meeting of March 28, 2024



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Regular meeting minutes of the board of directors

2000 E. Horsetooth Road, Fort Collins, CO
Thursday, March 28, 2024

Attendance

Board members

Representing Estes Park: Mayor Wendy Koenig and Reuben Bergsten
Representing Fort Collins: Mayor Jeni Arndt and Tyler Marr
Representing Longmont: Mayor Joan Peck¹ and David Hornbacher
Representing Loveland: Mayor Jacki Marsh and Kevin Gertig

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, generation, transmission and markets)
Raj Singam Setti (chief operating officer, innovation and resource strategy integration)
Eddie Gutiérrez (chief strategy officer)
Angela Walsh (executive director of board and administration, board secretary)
Esther Velasquez (sr. executive assistant)
Josh Pinsky (IT service desk technician II)
Mitch Tomaier (IT systems administrator)
Kaitlyn McCarty (senior executive assistant)
Kylie Kwiatt (administrative assistant II)
Shelley Nywall (director, finance)
Libby Clark (director, human services and safety)
Javier Camacho (director, public/external affairs, strategic communications/social marketing)
Kendal Perez (manager, strategic communications and community relations)
Maia Jackson (senior communications and marketing specialist)
Izzy Smith (communications and marketing specialist)
Leigh Gibson (senior external affairs specialist)
Paul Davis (manager, distributed energy resources)
Zach Borton (distributed energy resources services manager)

Guests

none

¹ Attended remotely; arrived at 9:06 am, dismissed self at 12:00 pm



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Call to order

Chair Gertig called the meeting to order at 9:01 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, presented Director Wendy Koenig with a bison statue to commemorate her time serving on the Platte River Board of Directors and highlighted contributions she made to the board. Director Koenig shared her gratitude to the board and staff of Platte River.

Action items

1. Consent agenda

- a. Approval of the regular meeting minutes of Feb. 29, 2024
- b. Resolution 03-24: Budget contingency process

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

Public comment

Chair Gertig 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. No members of the public addressed the board.

Committee reports

2. Defined Benefit Plan committee report

Committee Chair Dave Hornbacher provided the Defined Benefit Plan (Plan) committee report from the Feb. 29, 2024, meeting and the second meeting held on March 21, 2024.

Committee Chair Hornbacher explained the plan's investment consultant, Northern Trust, reported on the plan's performance for 2024, noting that assets increased \$7.8 million, which included investment gains of \$10.1 million and net distributions of \$2.3 million. Year-to-date, the portfolio significantly underperformed its benchmark. The Plan's underperformance was primarily due to the portfolio's exposure to low-volatility, high-quality equities, so the portfolio returned 10% while the custom index returned 16%. The Plan's target annual return is 7.5%.

Northern Trust evaluated several investment portfolios and investment funds to address the portfolio's underperformance and to help better position the portfolio to meet the Plan's long-term objectives. Northern Trust recommended keeping the portfolio's broad asset allocation unchanged. The recommendation included reducing the portfolio's exposure to quality, low-



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volatility equity strategies and accessing traditional investment strategies to help long-term returns. The committee agreed to move forward with Northern Trust's recommendations.

50 South Capital, the investment manager for the plan's private equity and private credit allocations, provided an update on the performance of the asset classes.

The committee held a second meeting on March 21, 2024, to conduct its annual review of the investment consultant. The committee evaluated Northern Trust's performance based on criteria in the scope of services included in the agreement between Northern Trust and Platte River. The committee agreed the consultant is not meeting expectations. Staff provided feedback and discussed the committee's concerns with Northern Trust. After discussions with Northern Trust, the committee will continue to monitor for improvements and take further action if necessary.

Committee Chair Hornbacher stated the next committee meeting is scheduled for May 30, 2024.

Board action items

3. Executive session

Chair Gertig noted the next item on the agenda was the annual performance review of the general manager. Board members received the review materials and pertinent compensation information ahead of the meeting. Director Arndt moved that the board of directors go into executive session for the purpose of considering the personnel matter related to the annual review of the performance and compensation of the general manager.

The general counsel advised that an executive session was authorized in this instance by Colorado Revised Statutes, Section 24-6-402(4)(f)(I); provided that no formal action would be taken during the executive session. Director Hornbacher seconded, and the motion carried 8-0.

Reconvene regular session

The chair reconvened the regular session, confirming by roll call that all board members were present and asked if there was further discussion or action because of the executive session. Director Marsh moved to change Mr. Frisbie's compensation to 1.0 of the new compensation pay range midpoint, paid retroactively from Dec. 17, 2023, along with a one-time cash bonus of \$19,000. Director Hornbacher seconded. Directors explained Platte River's new compensation philosophy and how Mr. Frisbie's compensation ratio was determined. The motion carried 8-0.



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Management presentations

4. Resource adequacy annual report (presenters: Raj Singam Setti and Sarah Leonard)

Raj Singam Setti, chief operating officer, innovation and resource strategy integration, described the resource adequacy reporting requirements of HB23-1039, requiring Platte River to submit an annual resource adequacy report to the board by April 1 each year and submit it to the Colorado Energy Office by April 30.

Sarah Leonard, general counsel, explained the submission process to the Colorado Energy Office. Staff requests the board authorize submission of the report on behalf of the board. Director Bergsten moved to authorize staff to submit the 2024 resource adequacy report to the Colorado Energy Office on behalf of the board. Director Peck seconded. Director Bergsten thanked staff for the summary report. Director Arndt asked if the report will be on Platte River's website. Ms. Leonard confirmed that the report will be on the website. The motion carried 8-0.

5. VPP series: Distributed energy storage update (presenter: Zach Borton)

Mr. Singam Setti introduced the virtual power plant series reflected in the management reports and presentations, with the first presentation on distributed energy storage. He referred to next month's virtual power plant presentation with information in the management report section of the board packet.

Zach Borton, distributed energy resources services manager, presented the distributed energy storage project to be located on owner communities' distribution systems. He discussed cost factors and value stacking (creating many use cases with one asset), location evaluation, risk mitigation strategies and next steps in land leases, construction and expected delivery date. Mr. Singam Setti noted the size of the project at each location receiving a five-megawatt (MW) battery, which collectively will provide 80 MW hours of stored energy.

Director Marsh asked how much in-home batteries cost and how they compare to the value stacking of distributed storage. Mr. Borton answered that it varies based on what type of battery and described distributed resource benefits. Director Bergsten commented on value stacking within sections of the owner communities and collaboration in evaluating potential locations. Chair Gertig asked if staff is experiencing any challenges obtaining alignment among the four owner communities. Mr. Borton confirmed the working process and collaboration for the storage project is going well and thanked the owner community staffs for all their work.

6. Legislative session update (presenter: Javier Camacho)

Javier Camacho, director, public and external affairs, strategic communications and social marketing, provided a brief overview of the guiding principles of legislative advocacy efforts for this year's session and highlighted air quality and air permitting bills targeting the oil and gas sector. Some of these bills, if passed, may also apply to Platte River.



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Management reports

7. Virtual power plant (presenter: Raj Singam Setti)

Mr. Singam Setti previewed the virtual power plant series during agenda item five.

Monthly informational reports for February

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

Ms. Leonard highlighted the Municipal Energy Agency of Nebraska complaint challenging the Colorado's Power Pathway and the Environmental Protection Agency's proposed new regulations for greenhouse gas emissions from power plants.

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

Mr. Singam Setti discussed working with the legal department to create the wind request for proposal (RFP) term sheet and receiving 15 notice of intent to submit a response for the all-dispatchable RFP. He also noted construction on the transmission facility to integrate the Black Hollow Solar project has started and work on permitting continues. Staff is actively negotiating for adding another 150 MW solar project that would connect through the same new substation.

10. Operating report (presenter: Melie Vincent)

Ms. Vincent highlighted operating results for February and year to date. In February, due to mild weather in the region, the overall net variable cost to serve owner community load was below budget, reflecting coal generation fuel savings and lower wind generation purchases, offset by decreased bilateral and market sales. Year to date municipal demand is close to budget and energy is slightly below budget.

11. Financial report (presenter: Dave Smalley)

Mr. Smalley highlighted financial results for February and year to date. In February, change in net position was \$1 million below budget, with below-budget revenues and operating expenses offsetting each other. He stated most of the change in net position was due to unfavorable fair market value adjustments. Year to date, change in net position is above budget \$1.3 million. The main reason is that operating expenses are below budget more than operating revenues are below budget. The lower operating revenues are mainly due to lower surplus sales pricing and volume.



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12. General management report (presenter: Jason Frisbie)

Mr. Frisbie highlighted the distributed energy solutions results and thanked the board for continued support during the annual review process. He also complimented the senior leadership team for all the work they do to support Platte River.

Roundtable and strategic discussion topics

Directors provided updates from their individual communities.

Adjournment

With no further business, the meeting adjourned at 12:37 p.m. The next regular board meeting is scheduled for Thursday, April 25, 2024, at 9:00 a.m. either virtually or at Platte River Power Authority, 2000 E. Horsetooth Road, Fort Collins, Colorado.

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

Secretary



Platte River Power Authority

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Memorandum

Date: 4/17/2024

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, financial reporting and budget
Kristin Turner, senior manager, accounting

Subject: **2023 independent auditor's report and financial statements**

At the April board meeting, Chris Telli and Anna Thigpen from FORVIS, LLP will present the results of their audit of the 2023 financial statements and answer any questions the board may have. Staff will also request a motion to accept the audit at the meeting.

Attachments

- Independent auditor's report and financial statements
- Results of the 2023 financial statement audit, including required communications

FORVIS Report to the Board of Directors

Platte River Power Authority

Results of the 2023 Financial Statement Audit, Including Required Communications

December 31, 2023

Required Communications Regarding Our Audit Strategy & Approach (AU-C 260)

Overview & Responsibilities

Matter	Discussion
Scope of Our Audit	<p>This report covers audit results related to your financial statements and supplementary information:</p> <ul style="list-style-type: none"> As of and for the year ended December 31, 2023 Conducted in accordance with our contract dated October 10, 2023
Our Responsibilities	<p>FORVIS is responsible for forming and expressing an opinion about whether the financial statements that have been prepared by management, with the oversight of those charged with governance, are prepared in accordance with accounting principles generally accepted in the United States of America (GAAP).</p>
Audit Scope & Inherent Limitations to Reasonable Assurance	<p>An audit performed in accordance with auditing standards generally accepted in the United States of America (GAAS) is designed to obtain reasonable, rather than absolute, assurance about the financial statements. The scope of our audit tests was established in relation to the opinion unit being audited and did not include a detailed audit of all transactions.</p>
Extent of Our Communication	<p>In addition to areas of interest and noting prior communications made during other phases of the engagement, this report includes communications required in accordance with GAAS that are relevant to the responsibilities of those charged with governance in overseeing the financial reporting process, including audit approach, results, and internal control. The standards do not require the auditor to design procedures for the purpose of identifying other matters to be communicated with those charged with governance.</p>
Independence	<p>The engagement team, others in our firm, as appropriate, and our firm, have complied with all relevant ethical requirements regarding independence.</p>
Your Responsibilities	<p>Our audit does not relieve management or those charged with governance of your responsibilities. Your responsibilities and ours are further referenced in our contract.</p>



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Matter	Discussion
Distribution Restriction	<p>This communication is intended solely for the information and use of the following and is not intended to be, and should not be, used by anyone other than these specified parties:</p> <ul style="list-style-type: none"> • The Board of Directors and Management • Others within Platte River Power Authority (Platte River)

Other Information Accompanying the Audited Financial Statements

The audited financial statements are presented along with management's annual report. Management, or those charged with governance, is responsible for preparing the annual report.

We were not engaged to audit the information contained in the annual report, and as a result, our opinion does not provide assurance as to the completeness and accuracy of the information contained therein.

As part of our procedures, we read the entire report to determine if financial information discussed in sections outside the financial statements materially contradicts the audited financial statements. If we identify any such matters, we bring them to management's attention and review subsequent revisions.

Auditor Objectives Related to Other Information

Our objectives related to the other information accompanying the audited financial statements were to:

- Consider whether a material inconsistency exists between the other information and the financial statements
- Remain alert for indications that:
 - A material inconsistency exists between the other information and the auditor's knowledge obtained in the audit, or
 - A material misstatement of fact exists or the other information is otherwise misleading
- Respond appropriately when we identify that such material inconsistencies appear to exist or when we otherwise become aware that other information appears to be materially misstated. Potential responsive actions would include requesting management to correct the identified inconsistency.
- Include the appropriate communication in our auditor's report, disclosing the procedures performed on the other information, as well as the results obtained

Qualitative Aspects of Significant Accounting Policies & Practices

Significant Accounting Policies

Significant accounting policies are described in Note 1 of the audited financial statements.

With respect to new accounting standards adopted during the year, we call to your attention the following topics detailed in the following pages:

- Adoption of Governmental Accounting Standards Board Statement No. 96 (GASB 96), *Subscription-Based Information Technology Arrangements*



Unusual Policies or Methods

With respect to significant unusual accounting policies or accounting methods used for significant unusual transactions (significant transactions outside the normal course of business or that otherwise appear to be unusual due to their timing, size, or nature), we noted the following:

- Governmental Accounting Standards Board Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 1989 FASB and AICPA Pronouncements, Regulated Operations*, Paragraphs 476-500

Alternative Accounting Treatments

We had discussions with management regarding alternative accounting treatments within GAAP for policies and practices for material items, including recognition, measurement, and disclosure considerations related to the accounting for specific transactions as well as general accounting policies, as follows:

- No matters are reportable

Management Judgments & Accounting Estimates

Accounting estimates are an integral part of financial statement preparation by management, based on its judgments. Significant areas of such estimates for which we are prepared to discuss management's estimation process and our procedures for testing the reasonableness of those estimates include:

- Accrual for incurred but not reported medical claims
- Depreciable lives of plant and equipment in service and lease and subscription assets
- GASB 68 deferred outflows and liability
- Accrued closure and post closure costs
- Fair value of investments
- Regulatory assets and deferred inflows of resources related to regulatory credits
- GASB 96, *Subscription-Based Information Technology Arrangements*
- GASB 87 lease receivables incremental borrowing rate
- Asset retirement obligations

Financial Statement Disclosures

The following areas involve particularly sensitive financial statement disclosures for which we are prepared to discuss the issues involved and related judgments made in formulating those disclosures:

- Determination of fair values
- Loss contingencies
- Related parties
- Regulatory assets
- Other long-term obligations

Our Judgment About the Quality of Platte River's Accounting Principles

During the course of the audit, we made the following observations regarding Platte River's application of accounting principles:

- No matters are reportable



Significant Accounting Policies & Alternative Treatments – Details

Governmental Accounting Standards Board Statement No. 96, *Subscription-Based Information Technology Arrangements*

Effective January 1, 2023, Platte River adopted Governmental Accounting Standards Board Statement No. 96 (GASB 96), *Subscription-Based Information Technology Arrangements*. Adoption of GASB 96 required significant time to identify a complete list of contracts for consideration of adoption and measure the subscription assets and liabilities for recognition.

Adjustments Identified by Audit

During the course of any audit, an auditor may propose adjustments to financial statement amounts. Management evaluates our proposals and records those adjustments that, in its judgment, are required to prevent the financial statements from being materially misstated.

A misstatement is a difference between the amount, classification, presentation, or disclosure of a reported financial statement item and that which is required for the item to be presented fairly in accordance with the applicable financial reporting framework.

- Reclassification entry of \$1.5 million between deferred outflow of resources accounts related to pension, which impacted footnote disclosure only and had no impact to the financial statements

Uncorrected Misstatements

- No matters are reportable

Other Material Communications

Listed below are other material communications between management and us related to the audit:

- Management representation letter (see Attachments)
- We orally communicated to management other deficiencies in internal control that are not considered material weaknesses or significant deficiencies

Future Accounting Pronouncements

GASB Statement No. 101, *Compensated Absences (GASB 101)*

GASB 101 updates the recognition and measurement guidance for compensated absences under a unified model. It defines compensated absences and requires that liabilities be recognized in financial statements prepared using the economic resources measurement focus for leave that has not been used and leave that has been used but not yet paid or settled. GASB 101 amends the existing requirement to disclose the gross increases and decreases in a liability for compensated absences to allow governments to disclose only the net change in the liability (as long as they identify it as a net change).

The requirements of GASB 101 are effective for Platte River for the fiscal year ending December 31, 2024, and should be reported as a change in accounting principle in accordance with GASB Statement No. 100, *Accounting Changes and Error Corrections*, including the related display and disclosure requirements.



Attachments

Management Representation Letter

As a material communication with management, included herein is a copy of the representation letter provided by management at the conclusion of our engagement.



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Representation of:
Platte River Power Authority
2000 East Horsetooth Road
Fort Collins, Colorado 80525-5721

Provided to:
FORVIS, LLP
Certified Public Accountants
1801 California Street, Suite 2900
Denver, Colorado 80202

The undersigned (“We”) are providing this letter in connection with FORVIS’ audit of our financial statements as of and for the year ended December 31, 2023 and 2022.

Our representations are current and effective as of the date of FORVIS’ report: April 8, 2024.

Our engagement with FORVIS is based on our contract for services dated: October 10, 2023.

Our Responsibility & Consideration of Material Matters

We confirm that we are responsible for the fair presentation of the financial statements subject to FORVIS’ report in conformity with accounting principles generally accepted in the United States of America.

We are also responsible for adopting sound accounting policies; establishing and maintaining effective internal control over financial reporting, operations, and compliance; and preventing and detecting fraud.

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

Confirmation of Matters Specific to the Subject Matter of FORVIS’ Report

We confirm, to the best of our knowledge and belief, the following:

Broad Matters

1. We have fulfilled our responsibilities, as set out in the terms of our contract, for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America.
2. We acknowledge our responsibility for the design, implementation, and maintenance of:
 - a. Internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.
 - b. Internal control to prevent and detect fraud.

Platte River Power Authority
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3. We have provided you with:
 - a. Access to all information of which we are aware that is relevant to the preparation and fair presentation of the financial statements, such as financial records and related data, documentation, and other matters.
 - b. Additional information that you have requested from us for the purpose of the audit.
 - c. Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
 - d. All minutes of board of directors' meetings held through the date of this letter or summaries of actions of recent meetings for which minutes have not yet been prepared. All unsigned copies of minutes provided to you are copies of our original minutes approved by the governing body, if applicable, and maintained as part of our records.
 - e. All significant contracts.
4. We have responded fully and truthfully to all your inquiries.

Misappropriation, Misstatements, & Fraud

5. We have informed you of all current risks of a material amount that are not adequately prevented or detected by our procedures with respect to:
 - a. Misappropriation of assets.
 - b. Misrepresented or misstated assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position.
6. We have no knowledge of fraud or suspected fraud affecting the entity involving:
 - a. Management or employees who have significant roles in internal control over financial reporting, or
 - b. Others when the fraud could have a material effect on the financial statements.
7. We understand that the term "fraud" includes misstatements arising from fraudulent financial reporting and misstatements arising from misappropriation of assets. Misstatements arising from fraudulent financial reporting are intentional misstatements, or omissions of amounts or disclosures in financial statements to deceive financial statement users. Misstatements arising from misappropriation of assets involve the theft of an entity's assets where the effect of the theft causes the financial statements not to be presented in conformity with accounting principles generally accepted in the United States of America.
8. We have no knowledge of any allegations of fraud or suspected fraud affecting the entity received in communications from employees, customers, regulators, suppliers, or others.
9. We have assessed the risk that the financial statements may be materially misstated as a result of fraud and disclosed to you any such risk identified.

Platte River Power Authority
Page 3

Ongoing Operations

10. We have evaluated whether there are conditions or events known or reasonably knowable, considered in the aggregate, that raise substantial doubt about the entity's ability to continue as a going concern within one year of the date of this letter without consideration of potential mitigating effects of management's plans not yet fully implemented and concluded substantial doubt does not exist.

Related Parties

11. We have disclosed to you the identity of all of the entity's related parties and all the related-party relationships of which we are aware. The entity has not entered into any new agreements with a related party or modified terms related to an existing related-party transaction during the year under the audit, or as of the date of this letter. Further, we do not have any existing or ongoing agreements with related parties that are still in effect as of the date of this letter.
12. We understand that the term related party refers to:
 - Affiliates
 - Entities for which investments are accounted for by the equity method
 - Trusts for the benefits of employees, such as pension and profit-sharing trusts that are managed by or under the trusteeship of management
 - Management and members of their immediate families
 - Any other party with which the entity may deal if one party can significantly influence the management or operating policies of the other to an extent that one of the transacting parties might be prevented from fully pursuing its own separate interests.

Another party is also a related party if it can significantly influence the management or operating policies of the transacting parties or if it has an ownership interest in one of the transacting parties and can significantly influence the other to an extent that one or more of the transacting parties might be prevented from fully pursuing its own separate interests.

The term affiliate refers to a party that directly or indirectly controls, or is controlled by, or is under common control with, the entity.

Litigation, Laws, Rulings & Regulations

13. We have disclosed to you all known actual or possible litigation and claims whose effects should be considered when preparing the financial statements. The effects of all known actual or possible litigation and claims have been accounted for and disclosed in accordance with accounting principles generally accepted in the United States of America.
14. We have no knowledge of communications, other than those specifically disclosed, from regulatory agencies, governmental representatives, employees, or others concerning investigations or allegations of noncompliance with laws and regulations, deficiencies in financial reporting practices, or other matters that could have a material adverse effect on the financial statements.
15. We have disclosed to you all known instances of violations or noncompliance or possible violations or suspected noncompliance with laws and regulations whose effects should be considered when preparing financial statements or as a basis for recording a loss contingency.

Platte River Power Authority
Page 4

16. We have no reason to believe the entity owes any penalties or payments under the Employer Shared Responsibility Provisions of the *Patient Protection and Affordable Care Act*, nor have we received any correspondence from the IRS or other agencies indicating such payments may be due.
17. We have not been designated as a potential responsible part (PRP or equivalent status) by the Environmental Protection Agency (EPA) or other cognizant regulatory agency with authority to enforce environmental laws and regulations.

Financial Statements & Reports

18. The entity has restated the 2022 statement of net position and statement of cash flows financial statements to conform with accounting principles generally accepted in the United States of America. Management has provided you with all relevant information regarding the restatement. We are not aware of any other known matters that required correction in the financial statements.
19. With regard to supplementary information:
 - a. We acknowledge our responsibility for the presenting the supplementary information in accordance with U.S. GAAP, and we believe that the supplementary information, including its form and content, is fairly presented in accordance with U.S. GAAP.
 - b. We believe the supplementary information is fairly presented, both in form and content, in accordance with the applicable criteria.
 - c. The methods of measurement and presentation of the supplementary information are unchanged from those used in the prior period, and we have disclosed to you any significant assumptions or interpretations underlying the measurement and presentation of the supplementary information.
 - d. We believe the significant assumptions or interpretations underlying the measurement and/or presentation of the supplementary information are reasonable and appropriate.
20. With regard to other information that is presented in the form of our annual report:
 - a. We confirm that this information comprises our annual report, but does not include the financial statements and your auditor's report thereon.

We acknowledge that we have not provided you with a draft of the annual report as of the issuance date of your auditor's report. We will provide you with the final draft of the annual report, which will be submitted for approval by the Board of Directors, prior to circulation to the Board of Directors or any other party, in order for you to be able to complete your required procedures on such document.

Transactions, Records, & Adjustments

21. All transactions have been recorded in the accounting records and are reflected in the financial statements.
22. We have everything we need to keep our books and records.
23. We have disclosed any significant unusual transactions the entity has entered into during the period, including the nature, terms, and business purpose of those transactions.

Platte River Power Authority
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24. There are no material uncorrected misstatements or omitted disclosures.

Governmental Accounting & Disclosure Matters

25. Interfund, internal, and intra-entity activity and balances have been appropriately classified and reported.

26. With regard to deposit and investment activities:

- a. All deposit and investment transactions have been made in accordance with legal and contractual requirements.
- b. Investment are properly valued.
- c. Disclosures of deposit and investment balances and risks in the financial statements are consistent with our understanding of the applicable laws regarding enforceability of any pledges of collateral.
- d. We understand that your audit does not represent an opinion regarding the enforceability of any collateral pledges.

27. The financial statements include all component units, appropriately present majority equity interests in legally separate organizations and joint ventures with an equity interest, and properly disclose all other joint ventures and other related organizations.

28. We have identified and evaluated all potential fiduciary activities. The financial statements include all fiduciary activities required by GASB Statement No. 84, *Fiduciary Activities*, as amended.

29. Components of net position (net investment in capital assets, restricted, and unrestricted) are properly classified and, if applicable, approved.

30. Capital assets, including infrastructure and intangible assets, are properly capitalized, reported, and, if applicable, depreciated or amortized.

31. We have appropriately disclosed the entity's policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available and have determined that net position is properly recognized under the policy.

32. The entity's ability to continue as a going concern was evaluated and that appropriate disclosures are made in the financial statements as necessary under GASB requirements.

33. The supplementary information required by the Governmental Accounting Standards Board, consisting of management's discussion and analysis and pension information, has been prepared and is measured and presented in conformity with the applicable GASB pronouncements, and we acknowledge our responsibility for the information. The information contained therein is based on all facts, decisions, and conditions currently known to us and is measured using the same methods and assumptions as were used in the preparation of the financial statements. We believe the significant assumptions underlying the measurement and/or presentation of the information are reasonable and appropriate. There has been no change from the preceding period in the methods of measurement and presentation.

Platte River Power Authority
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34. With regard to pension benefits:
- a. We believe the actuarial assumptions and methods used to measure pension liabilities and costs for financial accounting purposes are appropriate in the circumstances.
 - b. We have provided you with the entity's most current pension plan instrument for the audit period, including all plan amendments.
 - c. The participant data provided to you related to pension plans are true copies of the data submitted or electronically transmitted to the plan's actuary.
 - d. The participant data that we provided the plan's actuary for the purposes of determining the actuarial present value of accumulated plan benefits and other actuarially determined amounts in the financial statements were complete.
35. We have reviewed long-lived assets whenever events or changes in circumstances have indicated that the carrying amount of such assets might not be recoverable and have appropriately recorded the adjustment.

Accounting & Disclosure

36. All transactions entered into by the entity are final. We are not aware of any material business agreements (either written or oral) that have not been disclosed to you.
37. Except as reflected in the financial statements, there are no:
- a. Plans or intentions that may materially affect carrying values or classifications of assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position.
 - b. Material transactions omitted or improperly recorded in the financial records.
 - c. Material unasserted claims or assessments that are probable of assertion or other gain/loss contingencies requiring accrual or disclosure, including those arising from environmental remediation obligations.
 - d. Events occurring subsequent to the statement of net position date through the date of this letter, which is the date the financial statements were available to be issued, requiring adjustment or disclosure in the financial statements.
 - e. Agreements to purchase assets previously sold.
 - f. Arrangements with financial institutions involving compensating balances or other arrangements involving restrictions on cash balances, lines of credit, or similar arrangements.
 - g. Guarantees, whether written or oral, under which the entity is contingently liable.
 - h. Known or anticipated asset retirement obligations.
38. Except as disclosed in the financial statements, the entity has:
- a. Satisfactory title to all recorded assets, and those assets are not subject to any liens, pledges, or other encumbrances.

Platte River Power Authority
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- b. Complied with all aspects of contractual and grant agreements, for which noncompliance would materially affect the financial statements.
39. We agree with the findings of specialists in evaluating the valuation of various assets and liabilities and have adequately considered the qualification of the specialists in determining the amounts and disclosures used in the financial statements and underlying accounting records. We did not give or cause any instructions to be given to the specialists with respect to the values or amounts derived in an attempt to bias their work, and we are not otherwise aware of any matters that have had impact on the independence or objectivity of the specialists.

Revenue, Accounts Receivable, & Inventory

40. Adequate provisions and allowances have been accrued for any material losses from:
- a. Uncollectible receivables.
 - b. Excess or obsolete inventories.
 - c. Sales commitments, including those unable to be fulfilled.
 - d. Purchase commitments in excess of normal requirements or at prices in excess of prevailing market prices.

Estimates

41. We have identified all accounting estimates that could be material to the financial statements and we confirm the appropriateness of the methods and the consistency in their application, the accuracy and completeness of data, and the reasonableness of significant assumptions used by us in making the accounting estimates, including those measured at fair value reported in the financial statements.
42. Significant estimates that may be subject to a material change in the near term have been properly disclosed in the financial statements. We understand that “near term” means the period within one year of the date of the financial statements. In addition, we have no knowledge of concentrations, which refer to volumes of business revenues, available sources of supply, or markets, existing at the date of the financial statements that would make us vulnerable to the risk of severe impact in the near term that have not been properly disclosed in the financial statements.

Fair Value

43. With respect to the fair value measurements of financial and nonfinancial assets and liabilities, if any, recognized in the financial statements or disclosed in the notes thereto:
- a. The underlying assumptions are reasonable and they appropriately reflect management’s intent and ability to carry out its stated course of action.
 - b. The measurement methods and significant assumptions used in determining fair value are appropriate in the circumstances for financial statement measurement and disclosure purposes and have been consistently applied.
 - c. The significant assumptions appropriately reflect market participant assumptions.

Platte River Power Authority
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- d. The disclosures related to fair values are complete, adequate, and in conformity with U.S. GAAP.
- e. There are no subsequent events that require adjustments to the fair value measurements and disclosures included in the financial statements.

Tax-Exempt Bonds

- 44. Tax-exempt bonds issued have retained their tax-exempt status.
- 45. We have notified you of any instances of noncompliance with applicable disclosure requirements of the SEC Rule 15c2-12 and applicable state laws.

New Accounting Standards

GASB Statement 96, Subscription-Based Information Technology Arrangements

- 46. In connection with the adoption of GASB Statement No. 96, *Subscription-Based Information Technology Arrangements* (GASB 96), we represent the following:
 - a. We have identified a complete population of potential subscription-based information technology arrangements (SBITAs) as of the implementation date.
 - b. We have reviewed all significant contracts to identify subscription and nonsubscription components as of the earliest date of adoption. Allocation of costs between subscription and nonsubscription components are based upon standalone prices or other reasonable factors.
 - c. Measurements of the subscription assets and liabilities are based upon facts and circumstances that existed at the beginning of the period of implementation.
 - d. The estimates related to any options to extend or terminate the SBITA terms within the measurement of subscription liability and an intangible right to use IT subscription asset agrees to management's plans for the SBITA.
 - e. The discount rates for each SBITA are based upon what would be obtained by the entity for similar payment amounts during the subscription term as an incremental rate.
 - f. We have adequate controls in place to prevent and/or detect errors in subscription assets and liabilities on a recurring basis.
 - g. The footnotes to the financial statements appropriately describe the adoption of GASB 96 and include all additional disclosures required under the GASB 96.


Other Matters

- 47. We have assessed the applicability of other post-employment benefits in conjunction with our actuaries and have determined the impact continues to be immaterial.
- 48. We have evaluated the treatment of the provisions of GASB Statement No. 62 within the financial statements and believe all related items are properly recorded.
- 49. We have evaluated asset retirement obligations in accordance with GASB Statement No. 83 and believe all related items are properly recorded and disclosed in the financial statements.

Platte River Power Authority
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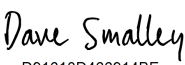
50. We have evaluated leases in accordance with GASB Statement No. 87 and believe all related items are properly recorded and disclosed in the financial statements.

51. We have assessed our debt disclosure and believe all related disclosures are appropriate in accordance with GASB Statement No. 88.

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Dave Smalley, Chief Financial Officer and Deputy General Manager


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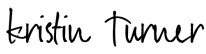
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Platte River Power Authority

Independent Auditor's Report and Financial Statements

Dec. 31, 2023 and 2022

Platte River Power Authority

Financial statements

Years ended Dec. 31, 2023 and 2022

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Independent Auditor's Report

Board of Directors
Platte River Power Authority
Fort Collins, Colorado

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the business-type activities and fiduciary activities of Platte River Power Authority (Platte River) as of and for the years ended December 31, 2023 and 2022, and the related notes to the financial statements, which collectively comprise Platte River's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of business-type activities and fiduciary activities of Platte River as of December 31, 2023 and 2022, and the respective changes in financial position and where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are required to be independent of Platte River and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter

As discussed in Note 3 to the financial statements, in fiscal year 2023, Platte River adopted new accounting guidance related to subscription-based information technology arrangements. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Board of Directors
Platte River Power Authority

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Platte River's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Platte River's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Platte River's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Board of Directors
Platte River Power Authority

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and pension information be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Platte River's basic financial statements. The budgetary comparison schedule is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the budgetary comparison schedule is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

FORVIS, LLP

Denver, Colorado
April 8, 2024

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Platte River Power Authority

Management's discussion and analysis

Dec. 31, 2023 and 2022

This discussion and analysis provides an overview of the financial performance of Platte River Power Authority for the fiscal years ended Dec. 31, 2023, and Dec. 31, 2022. The information presented should be read in conjunction with the basic financial statements, accompanying notes to the financial statements and required supplementary information.

Platte River is a Colorado political subdivision and a wholesale electricity generation and transmission provider that delivers safe, reliable, environmentally responsible and financially sustainable energy and services to its four owner communities, Estes Park, Fort Collins, Longmont and Loveland, Colorado, for delivery to their utility customers.

Platte River is proactively working toward the goal of reaching a noncarbon energy future by 2030 through the Resource Diversification Policy, while maintaining Platte River's three pillars of providing reliable, environmentally responsible and financially sustainable electricity and services. Advancements in technology and joining an energy market, amongst other requirements, must occur to achieve the 2030 goal and to successfully maintain Platte River's three pillars. Platte River continuously evaluates resource planning and opportunities to add noncarbon resources.

Platte River's power resources include generation from coal and natural gas units, wind purchases, allocations of federal hydropower from Western Area Power Administration (WAPA), solar (including storage) purchases, market purchases, bilateral purchases, owner community solar programs and a forced outage exchange agreement.

- Coal-fired generation includes Rawhide Unit 1 (280 megawatts), located 25 miles north of Fort Collins, and 18% ownership in Craig units 1 and 2 (151 megawatts combined), located in northwest Colorado. Rawhide Unit 1 is scheduled to be retired by Dec. 31, 2029. Craig units 1 and 2 are scheduled to be retired by Dec. 31, 2025 and Sept. 30, 2028, respectively.
- Natural gas-fired combustion turbines located at Rawhide Energy Station include five simple cycle combustion turbines, composed of four GE 7EAs (65 megawatts each) and a GE 7FA (128 megawatts). The combustion turbines are used to meet peak load demand, provide reserves during outages of the coal-fired units and make sales for resale.
- Wind generation includes 303 megawatts of nameplate capacity (67 megawatts of effective load carrying capability) provided under long-term power purchase agreements. The agreements are for deliveries from the following facilities.
 - Roundhouse Wind Energy Center (225 megawatts) in Wyoming; contract ends May 31, 2042.
 - Spring Canyon Wind Energy Center Phase II and III (60 megawatts) in Colorado; contracts end Oct. 31, 2039, and Dec. 10, 2039, respectively. To accommodate additional wind energy available from the Roundhouse Wind Energy Center and reduce ancillary services expense, Platte River sold the energy and renewable

Platte River Power Authority
Management's discussion and analysis
 Dec. 31, 2023 and 2022

attribute from these sites under a 10-year contract that began in 2020. This energy is therefore not delivered to the owner communities for the term of the sales contract. At the end of the sales contract, the energy will return to Platte River.

- Silver Sage Windpower Project (12 megawatts) in Wyoming; contract ends Sept. 30, 2029. To accommodate additional wind energy available from the Roundhouse Wind Energy Center and to reduce transmission and ancillary services expenses, Platte River sold the energy and renewable attribute from this site under a long-term contract. This energy is therefore not delivered to the owner communities.
- Medicine Bow Wind Project (6 megawatts) in Wyoming; contract ends Dec. 30, 2033.
- Hydropower is received under two long-term contracts with WAPA – one for the Colorado River Storage Project and one for the Loveland Area Projects. The hydropower contracts are subject to periodic price changes.
 - Colorado River Storage Project contract rate of delivery amounts are 106 megawatts in the summer and 136 megawatts in the winter, which are not being met due to drought conditions. Actual capacity available varies by month. During 2023, summer season available capacity ranged from 30 megawatts to 70 megawatts. During the 2023 winter season, available capacity ranged from 42 megawatts to 60 megawatts. Available capacity and energy may further change with drought conditions, and as conditions worsen, there may be periods where no energy is delivered. The Colorado River Storage Project contract ends Sept. 30, 2057.
 - Loveland Area Projects' capacity varies from 23 megawatts to 30 megawatts in the summer season and 26 megawatts to 32 megawatts in the winter season. The Loveland Area Projects contract ends Sept. 30, 2054.
- Solar generation includes 52 megawatts of nameplate capacity (22 megawatts of effective load carrying capability) with 2 megawatt-hours of battery storage provided under long-term power purchase agreements. The agreements are for deliveries from the following facilities.
 - Rawhide Flats Solar facility (30 megawatts) located at the Rawhide Energy Station; contract ends Dec. 14, 2041.
 - Rawhide Prairie Solar facility (22 megawatts) located at the Rawhide Energy Station; contract ends March 18, 2041. This project has an integrated battery storage system of 2 megawatt-hours, which can be discharged once daily at a rate up to 1 megawatt per hour.

Platte River Power Authority
Management's discussion and analysis
 Dec. 31, 2023 and 2022

- Market purchases provide energy through participation in both the joint dispatch agreement through March 2023 and the Western Energy Imbalance Service operated by the Southwest Power Pool beginning in April 2023. The joint dispatch agreement was among Public Service Company of Colorado, Black Hills Colorado Electric and Platte River and operated similarly to an energy imbalance market. The joint dispatch agreement terminated as participants began operations in the Western Energy Imbalance Service. These market activities provide access to lower-cost resources and sales for resale opportunities in real time, increasing operational efficiencies while enhancing reliability. Platte River will participate in the Western Energy Imbalance Service until joining the Southwest Power Pool Regional Transmission Organization West planned for 2026.
- Bilateral purchases involve a single counterparty and are specifically negotiated deals. These provide energy to satisfy loads, replace power during outages and meet reserve requirements.
- Platte River purchases capacity of 4.022 megawatts and 0.333 megawatts from Fort Collins and Loveland community solar facilities, respectively. For these two facilities, the owner communities retain the renewable attributes and the facilities are not part of Platte River's noncarbon resource portfolio.
- Platte River had a forced outage exchange agreement with Tri-State Generation and Transmission Association, Inc. (Tri-State). If either Rawhide Unit 1 or Tri-State's Craig Unit 3 was out of service, the other utility would provide up to 100 megawatts of generation on a short-term basis. The agreement was in effect until March 31, 2024. No extension or comparable replacement agreements have or are planned to be executed.

Platte River operates as a utility enterprise and follows the Uniform System of Accounts prescribed by the Federal Energy Regulatory Commission (FERC). Platte River has implemented all applicable Governmental Accounting Standards Board (GASB) pronouncements. The accompanying financial statements for Platte River and the defined benefit pension plan are prepared on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America. For the defined benefit pension plan, payments are recognized when due and payable in accordance with the terms of the defined benefit pension plan.

Request for information

This financial report is designed to provide a general overview of Platte River's finances, as well as the defined benefit pension plan's finances. Questions about any of the information provided in this report or requests for additional financial information should be addressed to David Smalley, chief financial officer and deputy general manager, Platte River Power Authority, 2000 East Horsetooth Road, Fort Collins, Colorado 80525.

Platte River Power Authority
Management's discussion and analysis
Dec. 31, 2023 and 2022

Financial summary

Platte River reported change in net position of \$9.3 million in 2023, approximately \$2.6 million higher than 2022. The year ended with a decrease in operating revenues of \$14.4 million, a decrease in operating expenses of \$0.3 million and an increase in nonoperating revenues, net, of \$16.7 million.

Under an accounting policy approved by the board in 2022, the general manager/CEO approved deferring \$31.5 million of current-year operating revenues as deferred regulatory revenues. The policy reduces rate pressure and achieves rate smoothing by establishing a mechanism to defer revenues earned and expenses incurred in one period to be recognized in one or more future periods. The strategy for determining revenue deferred is based on long-term financial and rate projections.

In 2023, Platte River adopted the principles of GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, and recognized the effect of a change in accounting principle for recording information technology subscriptions as capital assets and financing activities (notes 3 and 19) resulting in a restatement of total assets, total liabilities and change in net position as of and for the period ending Dec. 31, 2022.

Condensed financial statements

The following condensed statements of net position and condensed statements of revenues, expenses and changes in net position summarize Platte River's financial position and changes in financial position for 2023, 2022 and 2021.

Platte River Power Authority
Management's discussion and analysis
Dec. 31, 2023 and 2022

Condensed statements of net position

	2023	Dec. 31, 2022 restated	2021*
	<i>(in thousands)</i>		
Assets			
Electric utility plant	\$ 557,394	\$ 574,294	\$ 589,322
Special funds and investments	188,480	170,596	150,991
Current assets	185,828	155,125	138,671
Noncurrent assets	141,423	137,971	132,673
Total assets	1,073,125	1,037,986	1,011,657
Deferred outflows of resources	38,439	43,240	28,537
Liabilities			
Noncurrent liabilities	293,258	303,317	289,851
Current liabilities	45,361	42,774	35,178
Total liabilities	338,619	346,091	325,029
Deferred inflows of resources	105,760	77,212	63,878
Net position			
Net investment in capital assets	406,299	400,947	398,319
Restricted	19,561	18,873	18,864
Unrestricted	241,325	238,103	234,104
Total net position	\$ 667,185	\$ 657,923	\$ 651,287

*2021 not restated for implementation of GASB 96.

Net position

Total net position at Dec. 31, 2023, was \$667.2 million, an increase of \$9.3 million over 2022. Total net position at Dec. 31, 2022, was \$657.9 million, an increase of \$6.6 million over 2021.

Electric utility plant decreased \$16.9 million during 2023 primarily due to a \$39 million increase in accumulated depreciation and amortization, partially offset by a \$15.2 million increase in plant and equipment in service and a \$6.9 million increase in construction work in progress (note 4).

In 2022, electric utility plant decreased \$15 million from 2021, primarily due to a \$35.6 million increase in accumulated depreciation and amortization and \$2.9 million decrease in construction work in progress. Partially offsetting these net decreases was a \$23.5 million increase in plant and equipment in service. 2022 was restated to record amortizable subscription assets due to GASB 96 (notes 3, 4 and 19).

Special funds and investments increased \$17.9 million during 2023 primarily due to strong financial results providing excess cash flow during the year.

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In 2022, special funds and investments increased \$19.6 million over 2021 also primarily due to strong financial results.

Current assets increased \$30.7 million during 2023 primarily due to increases in cash and cash equivalents and other temporary investments due to an increase in funds from additional sales of Windy Gap water units, as well as strong financial results providing excess cashflow during the year. Fuel inventory increased due to higher coal inventory at the Craig Energy Station following increased deliveries from Trapper Mine and lower generation. Materials and supplies inventory also increased as materials for future projects were procured to mitigate supply chain risk and new parts were required to support upgraded equipment maintenance. Partially offsetting the increases was a decrease in accounts receivable – other due to lower sales for resale average prices during the month of December and timing of payments.

In 2022, current assets increased \$16.4 million over 2021 primarily due to increases in cash and cash equivalents, other temporary investments and accounts receivable due to strong financial results providing excess cashflow during the year. Prepayments also increased with the timing of certain prepaid expenses.

Noncurrent assets increased \$3.4 million during 2023 primarily due to an increase in regulatory assets caused by a difference between base contributions and pension expense calculated by the actuary and an additional funding requirement for the defined benefit pension plan. These differences are recorded in accordance with the GASB 62 board-approved pension related accounting policies (note 6). Other long-term assets also increased because of additional funding for the Windy Gap Firming Project (note 11).

In 2022, noncurrent assets increased \$5.3 million over 2021 primarily due to an increase in regulatory assets caused by a difference between base contributions and pension expense calculated by the actuary. This difference is recorded in accordance with the GASB 62 board-approved pension contribution expense recognition accounting policy (note 6). In addition, the noncurrent portion of prepayments increased because of various long-term agreements executed during the year.

Deferred outflows of resources decreased \$4.8 million during 2023 primarily due to a decrease in defined benefit pension plan deferrals based on an increase in market returns and annual amortizations related to the defined benefit pension plan and deferred loss on debt refundings. These increases were partially offset by changes in asset retirement obligations due to inflation adjustments and updated cost estimates (note 9).

In 2022, deferred outflows of resources increased \$14.7 million over 2021 primarily due to increases in pension deferrals based on a decrease in market returns and changes in plan experiences (note 8) and asset retirement obligations for the Craig Generating Station impoundments, for a new item and cost estimate updates, and Trapper Mine reclamation for additional mining activity (note 9). These increases were partially offset by decreases in unamortized deferred loss on debt refundings.

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Noncurrent liabilities decreased \$10.1 million during 2023 primarily due to principal retirements, amortization of premiums (note 7) and net pension liability from increased contributions and market returns (note 8). Partially offsetting the decreases were increases due to asset retirement obligations as noted above in deferred outflows of resources (note 9), deposits from others on sales for resale contracts, disposal facility closure costs (note 10) and liabilities for compensated absences as the maximum hours accruable for personal leave increased.

In 2022, noncurrent liabilities increased \$13.5 million over 2021 primarily due to an increase in the net pension liability from decreased market returns (note 8) and an increase in asset retirement obligations as noted above in deferred outflows of resources. Subscription liabilities were initially recognized, further increasing noncurrent liabilities, with the implementation of GASB 96 (notes 3, 12 and 19). Partially offsetting the increase were principal retirements and a decrease in unamortized premium as described (note 7). The final payment for Platte River's Series II bonds was made in June.

Current liabilities increased \$2.6 million during 2023 primarily due to increases in prepayments from others on sales for resale contracts and interconnection agreements and the timing of settlement liability payments for the Windy Gap Firing Project (note 11). Partially offsetting the increases was a decrease in the current portion of asset retirement obligations (note 9).

In 2022, current liabilities increased \$7.6 million over 2021 primarily due to increases in accounts payable as year-over-year operating expenses were higher at the end of the year, mainly based on the Craig units' coal and operations and maintenance expenses, natural gas, medical expenses, contracted services and capital additions.

Deferred inflows of resources increased \$28.5 million during 2023 primarily due to changes in regulatory credits as Platte River deferred \$31.5 million of operating revenues (note 6). There were also increases in the regulatory credits for the accrual of the 2025 Rawhide Unit 1 scheduled maintenance outage (note 6) and the regulatory credit for Craig units 1 and 2 decommissioning accrual (note 6). Partially offsetting the increases were amortization of the regulatory credit for the change in depreciation method (note 6) and amortization of defined benefit pension plan regulatory credit and deferrals (note 6).

In 2022, deferred inflows of resources increased \$13.3 million over 2021 primarily due to changes in regulatory credits as Platte River deferred \$21.7 million of operating revenues (note 6). There was also an increase in the regulatory credit for the accrual of the 2025 Rawhide Unit 1 scheduled maintenance outage (note 6). Partially offsetting the increases was amortization of the regulatory credit for the change in depreciation method (note 6). Pension deferrals decreased due to reclassifying the earnings on investments account balance against the loss on investments for 2022, which was recorded as a deferred outflow of resources (note 8).

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Management's discussion and analysis
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Condensed statements of revenues, expenses and changes in net position

	Years ended Dec. 31,		
	2022	2022 restated	2021*
	<i>(in thousands)</i>		
Operating revenues	\$ 257,249	\$ 271,657	\$ 265,378
Operating expenses	257,500	257,821	225,594
Operating income	(251)	13,836	39,784
Nonoperating revenues (expenses), net	9,513	(7,200)	(4,091)
Change in net position	9,262	6,636	35,693
Net position at beginning of year	657,923	651,287	615,594
Net position at end of year	<u>\$ 667,185</u>	<u>\$ 657,923</u>	<u>\$ 651,287</u>

*2021 not restated for implementation of GASB 96.

Changes in net position

Net position increased \$9.3 million in 2023, \$2.6 million higher than in 2022, after deferring \$31.5 million of current-year revenues under the board-approved deferred revenue and expense accounting policy (note 6). Before this deferral, change in net position was \$40.8 million. There were decreases in operating revenues and operating expenses and an increase in nonoperating revenues, net. Net position increased \$6.6 million in 2022, after deferring revenues of \$21.7 million, \$29.1 million lower than 2021. There were increases in operating revenues, operating expenses and nonoperating expenses, net.

Operating revenues in 2023 decreased \$14.4 million from 2022.

- Sales to the owner communities increased \$5.4 million over 2022 primarily due to a 5% average wholesale rate increase, partially offset by a decrease in owner communities' energy deliveries of 2.7% and billed demand of 1.5%.
- Sales for resale and other decreased \$10.1 million from 2022 primarily due to lower energy served under long-term contracts and lower market sales volumes, partially offset by higher average market prices and additional point-to-point service reservations.
- Deferred regulatory revenues increased \$9.7 million over 2022, which reduces operating revenues, due to overall stronger financial results relative to the strategic financial plan metrics.

Operating revenues in 2022 increased \$6.3 million over 2021.

- Sales to the owner communities increased \$13.1 million from 2021 primarily due to a 3.2% average wholesale rate increase and increases in owner communities' energy deliveries of 1% and billed demand of 0.4%. The owner communities set a new nonsummer peak of 532 megawatts on December 22 at 6 p.m.

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- Sales for resale and other increased \$14.9 million over 2021 primarily due to increased market prices, additional calls on a long-term capacity contract and higher wheeling revenues due to additional point-to-point service reservations.
- Deferred regulatory revenues were \$21.7 million compared to no deferral in 2021. The deferred revenue and expense accounting policy was approved by the board and implemented in 2022 (note 6).

Operating expenses in 2023 decreased \$0.3 million from 2022.

- Purchased power increased \$8.3 million over 2022. The increase was primarily due to favorable market conditions after Platte River joined the Southwest Power Pool's Western Energy Imbalance Service in April, as baseload units were frequently economically dispatched at lower outputs and were replaced by lower-cost market purchases.
- Fuel decreased \$21.3 million from 2022. Fuel for Rawhide Unit 1 and the Craig units decreased \$8.6 million and \$6.5 million, respectively, primarily due to operating at lower capacity factors at both sites as discussed above, partially offset with higher fuel prices. Natural gas expense also decreased by \$6.2 million primarily due to lower commodity prices, partially offset by higher generation.
- Operations and maintenance increased \$11.3 million over 2022 primarily due to increased contracted services for the Rawhide Unit 1 minor outage and combustion turbine projects and operating expenses at the Craig units due to scheduled maintenance and forced outages. Other non-routine projects and personnel costs also increased.
- Administrative and general increased \$6.4 million over 2022 primarily due to increased personnel costs from new positions and increased costs toward strategic initiatives.
- Distributed energy resources increased \$1.9 million over 2022 primarily due to increased program participation and increased personnel costs from new positions.
- Depreciation, amortization and accretion decreased \$6.9 million from 2022 primarily due to a reduction in amortization expenses due to recognition of a net additional gain from the change in depreciation method regulatory credit (note 6) created by sales of Windy Gap water units.

Operating expenses in 2022 increased \$32.3 million over 2021.

- Purchased power decreased \$1.2 million from 2021. The decrease was due primarily to a net increase in forced outage assistance energy deliveries recorded as a net credit to purchased power, a refund and rate decrease for purchased reserves, decreased joint dispatch agreement purchases, less energy received from hydropower due to drought

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Management's discussion and analysis
 Dec. 31, 2023 and 2022

conditions and a decrease in other purchases because Rawhide Unit 1 did not have a scheduled maintenance outage in 2022. Partially offsetting the decreases were increases in wind and solar energy purchases and an increase in the replacement power accrual for the 2024 Rawhide Unit 1 scheduled maintenance outage.

- Fuel increased \$18.9 million over 2021. Fuel for Rawhide Unit 1 and the Craig units increased \$9.5 million and \$5 million, respectively, due to increases in average prices and generation. The average price increased for Rawhide Unit 1 due to an increase in market prices for coal. The Craig units price increased because of an updated price for Trapper Mine coal. Generation was also higher because Rawhide Unit 1 did not have a scheduled maintenance outage as in 2021. Natural gas expense also increased by \$4.4 million due to higher commodity prices, partially offset by operating the combustion turbines at a lower capacity factor as less generation was needed to serve load.
- Operations and maintenance increased \$6.6 million over 2021. The increase was due primarily to the accrual for the next Rawhide Unit 1 scheduled maintenance outage, a full year of expenses for the Windy Gap Firing Project (Chimney Hollow Reservoir), an overall increase in operating expenses at the Craig units and other general miscellaneous increases. Partially offsetting the increase was a reduction in wheeling expenses.
- Administrative and general increased \$4.4 million over 2021 primarily due to increased personnel expenses from new positions and increased insurance expenses.
- Distributed energy resources increased \$1.4 million over 2021 primarily due to increased energy efficiency program participation.
- Depreciation, amortization and accretion increased \$2.2 million over 2021 as additional capital additions were in service, there was new accretion expense from the board-approved Craig units 1 and 2 decommissioning accrual accounting policy (note 6), cost estimates for asset retirement obligations increased and there was a full year of amortization of the Windy Gap Firing Project storage rights regulatory asset. 2022 was restated to record amortization of subscription assets due to implementation of GASB 96 (notes 3, 4 and 19). Partially offsetting the increase was a reduction in amortization expenses reflecting an increase in net gain recognized from the change in depreciation method regulatory credit (note 6).

Nonoperating revenues (expenses), net, in 2023 increased \$16.7 million over 2022. The increase was primarily due to a net increase in the fair value of investments as interest rates declined and investment prices rose during the fourth quarter of 2023 and higher interest income primarily due to larger fund balances earning higher interest rates.

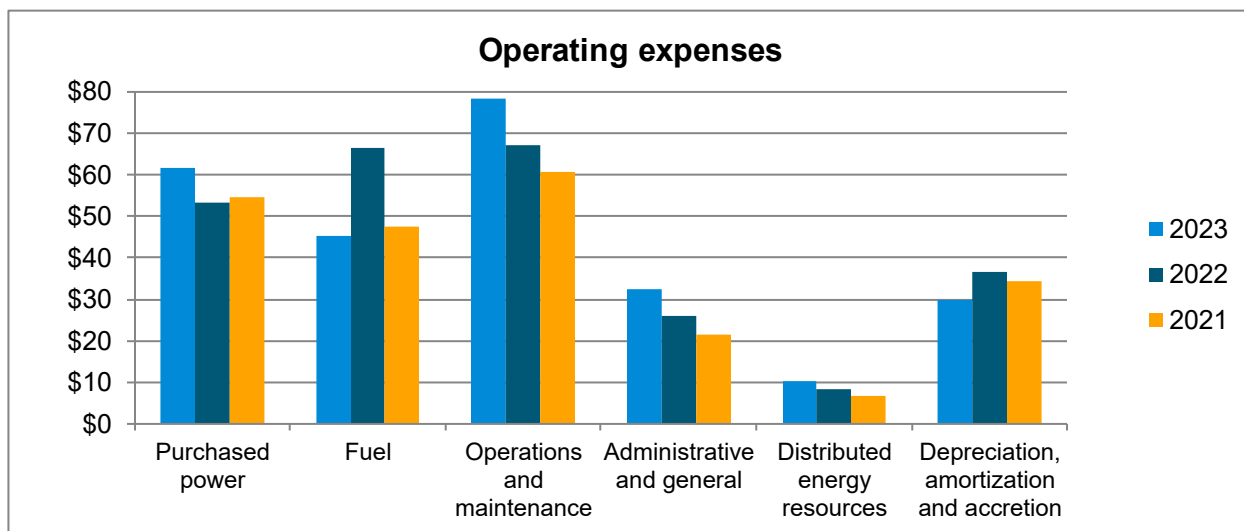
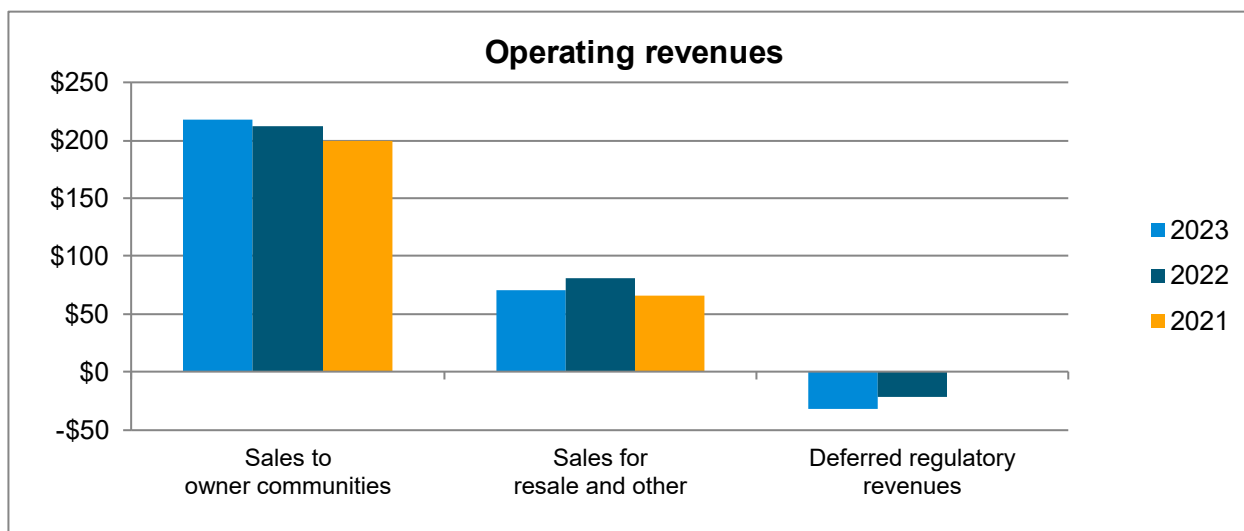
Nonoperating revenues (expenses), net, in 2022 decreased \$3.1 million from 2021. The decrease was primarily due to a net decrease in the fair value of investments from rising interest

Platte River Power Authority
Management's discussion and analysis
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rates throughout the year and overall lower other income. Partially offsetting the decreases were higher interest income on investments and lower interest expense as principal was paid off.

Operating revenues and expenses

(in millions)



Debt ratings

The ratings on Platte River's existing bonds remained unchanged.

Bond issue	Moody's	S&P	Fitch
Power revenue bonds			
Series JJ	N/A	AA	AA
Taxable Series KK	Aa2	N/A	AA

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Budgetary highlights

Platte River's board approved the 2023 Strategic Budget with total revenues of \$305 million, operating expenses of \$238.1 million, capital additions of \$42.7 million and debt service expenditures of \$18.1 million. After closing 2023, \$0.3 million of budget-appropriated board contingency was required for debt service expenditures. The budget comparison amounts below reflect this transfer between appropriated categories. The following budgetary highlights are presented on a non-GAAP budgetary basis. The budgetary comparison schedule is presented as supplementary information at the end of the document.

Total revenues of \$296.9 million ended the year \$8.1 million below budget.

- Sales to owner communities of \$217.8 million were \$6.3 million below budget due to below-budget energy deliveries and billing demand.
- Sales for resale and other totaled \$71 million and were below budget \$3.6 million. Energy volume sold was below budget, partially offset by above-budget average prices. Wheeling was above budget due to additional point-to-point transmission service reservations and above-budget network customer service charges.
- Interest and other income of \$8.1 million was above budget \$1.8 million primarily due to higher interest income earned on investments.

Operating expenses of \$226.4 million ended the year \$11.7 million below budget.

- Purchased power of \$61.7 million was \$6.6 million above budget primarily due to above-budget market purchases as lower-cost energy was available in the Western Energy Imbalance Service, above-budget hydropower purchases due to favorable conditions and above-budget owner communities' solar programs due to higher prices. Partially offsetting the above-budget variances were net energy provided to Tri-State under the forced outage assistance agreement and below-budget wind and solar energy purchases.
- Fuel of \$45.2 million was \$17.5 million below budget primarily due to coal expenses. Generation from Rawhide Unit 1 and the Craig units was below budget primarily due to running at historically low capacity factors due to lower-cost energy available in the Western Energy Imbalance Service market and due to unplanned extensions to outages, partially offset by above-budget prices at both stations. Partially offsetting below-budget coal expense was natural gas expense, which was above budget due to operating the combustion turbines to make sales and meet load requirements.
- Production, transmission, administrative and general of \$109.3 million were \$2.8 million above budget primarily due to operating costs at the Craig Units and additional expenses needed for the Rawhide Unit 1 scheduled minor outage. Partially offsetting the above-budget variances were other Rawhide Energy Station non-routine projects and various other consulting services completed below budget or expenses not required.

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Management's discussion and analysis
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- Distributed energy resources of \$10.2 million were \$3.6 million below budget primarily 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.

Capital additions of \$25.9 million ended the year \$16.8 million below budget. This variance was due to schedule changes, scope changes, contract or material delays, internal resource constraints and canceled projects. Production additions, transmission additions and general additions were below budget \$2.9 million, \$7.5 million and \$6.4 million, respectively. Of the total variance, \$14 million was carried over to the 2024 Strategic Budget to complete projects.

Debt service expenditures of \$18.1 million were at budget, following a \$0.3 million contingency transfer, for scheduled principal and interest payments on outstanding power revenue bonds as well as principal and interest payments on lease and subscription liabilities recognized from the implementation of GASB 96 (notes 3, 12 and 19).

Platte River Power Authority
Statements of net position
Dec. 31, 2023 and 2022

	Dec. 31,	
	2023	2022 restated
	<i>(in thousands)</i>	
Assets		
Electric utility plant, at original cost (notes 3 and 4)		
Land and land rights	\$ 19,446	\$ 19,446
Plant and equipment in service	1,482,084	1,466,932
Less: accumulated depreciation and amortization	(975,993)	(936,957)
Plant in service, net	525,537	549,421
Construction work in progress	31,857	24,873
Total electric utility plant	557,394	574,294
Special funds and investments (note 5)		
Restricted funds and investments	19,977	19,338
Dedicated funds and investments	168,503	151,258
Total special funds and investments	188,480	170,596
Current assets		
Cash and cash equivalents (notes 3 and 5)	70,720	48,017
Other temporary investments (note 5)	50,442	47,841
Accounts receivable—owner communities	17,306	16,997
Accounts receivable—other	7,082	13,830
Fuel inventory, at last-in, first-out cost	19,896	10,103
Materials and supplies inventory, at average cost	17,734	15,831
Prepayments and other assets	2,648	2,506
Total current assets	185,828	155,125
Noncurrent assets		
Regulatory assets (note 6)	131,578	128,954
Other long-term assets	9,845	9,017
Total noncurrent assets	141,423	137,971
Total assets	1,073,125	1,037,986
Deferred outflows of resources		
Deferred loss on debt refundings (note 7)	2,281	3,075
Pension deferrals (note 8)	9,787	14,849
Asset retirement obligations (note 9)	26,371	25,316
Total deferred outflows of resources	38,439	43,240

See notes to financial statements.

Platte River Power Authority
Statements of net position
Dec. 31, 2023 and 2022

	Dec. 31,	
	2023	2022 restated
	<i>(in thousands)</i>	
Liabilities		
Noncurrent liabilities (note 10)		
Long-term debt, net (note 7)	\$ 122,681	\$ 137,808
Other long-term obligations (note 11)	94,295	95,184
Net pension liability (note 8)	28,274	30,520
Asset retirement obligations (note 9)	34,983	31,739
Lease and subscription liabilities (note 12)	861	916
Other liabilities and credits	12,164	7,150
Total noncurrent liabilities	293,258	303,317
Current liabilities		
Current maturities of long-term debt (note 7)	12,790	12,215
Current portion of other long-term obligations (note 11)	889	–
Current portion of asset retirement obligations (note 9)	933	1,547
Current portion of lease and subscription liabilities (note 12)	641	338
Accounts payable	24,629	24,359
Accrued interest	416	464
Accrued liabilities and other	5,063	3,851
Total current liabilities	45,361	42,774
Total liabilities	338,619	346,091
Deferred inflows of resources		
Deferred gain on debt refundings (note 7)	112	126
Regulatory credits (note 6)	104,944	75,947
Pension deferrals (note 8)	–	287
Lease deferrals (note 4)	704	852
Total deferred inflows of resources	105,760	77,212
Net position		
Net investment in capital assets (note 13)	406,299	400,947
Restricted	19,561	18,873
Unrestricted	241,325	238,103
Total net position	\$ 667,185	\$ 657,923

See notes to financial statements.

Platte River Power Authority
Statements of revenues, expenses and changes in net position
Dec. 31, 2023 and 2022

	Years ended Dec. 31,	
	2023	2022 restated
	<i>(in thousands)</i>	
Operating revenues		
Sales to owner communities	\$ 217,735	\$ 212,319
Sales for resale and other	71,011	81,077
Deferred regulatory revenues (note 6)	<u>(31,497)</u>	<u>(21,739)</u>
Total operating revenues	257,249	271,657
Operating expenses		
Purchased power	61,730	53,379
Fuel	45,142	66,456
Operations and maintenance	78,337	67,079
Administrative and general	32,347	25,956
Distributed energy resources	10,214	8,339
Depreciation, amortization and accretion (notes 4, 6 and 9)	29,730	36,612
Total operating expenses	<u>257,500</u>	<u>257,821</u>
Operating income	(251)	13,836
Nonoperating revenues (expenses) (notes 5, 7 and 12)		
Interest income	7,735	2,914
Other income	318	429
Interest expense	(3,763)	(4,168)
Net increase (decrease) in fair value of investments	5,223	(6,375)
Total nonoperating revenues (expenses)	<u>9,513</u>	<u>(7,200)</u>
Change in net position	9,262	6,636
Net position at beginning of year	657,923	651,287
Net position at end of year	<u>\$ 667,185</u>	<u>\$ 657,923</u>

See notes to financial statements.

Platte River Power Authority
Statements of cash flows
Dec. 31, 2023 and 2022

	Years ended Dec. 31,	
	2023	2022 restated
	<i>(in thousands)</i>	
Cash flows from operating activities		
Receipts from customers	\$ 293,109	\$ 290,780
Payments for operating goods and services	(171,782)	(166,773)
Payments for employee services	(54,476)	(47,523)
Net cash provided by operating activities	66,851	76,484
Cash flows from capital and related financing activities		
Additions to electric utility plant	(23,874)	(19,091)
Payments from accounts payable incurred for electric utility plant additions	(3,493)	(1,581)
Proceeds from disposal of electric utility plant	12,418	74
Principal payments on long-term debt	(12,215)	(11,660)
Interest payments on long-term debt	(5,282)	(5,850)
Payments related to other long-term obligations	(4,145)	(3,809)
Payments on lease and subscription liabilities	(344)	(621)
Receipts from lease receivables	148	148
Net cash used in capital and related financing activities	(36,787)	(42,390)
Cash flows from investing activities		
Purchases and sales of temporary and restricted investments, net	(15,316)	(29,643)
Interest and other income, including realized gains and losses	7,955	3,159
Net cash used in investing activities	(7,361)	(26,484)
Increase in cash and cash equivalents	22,703	7,610
Balance at beginning of year in cash and cash equivalents	48,017	40,407
Balance at end of year in cash and cash equivalents	\$ 70,720	\$ 48,017

See notes to financial statements.

Platte River Power Authority
Statements of cash flows
Dec. 31, 2023 and 2022

	Years ended Dec. 31,	
	2023	2022
	restated	
	<i>(in thousands)</i>	
Reconciliation of operating income to net cash provided by operating activities		
Operating income	\$ (251)	\$ 13,836
Adjustments to reconcile operating income to net cash provided by operating activities		
Depreciation	40,719	39,223
Amortization	(15,835)	(6,143)
Operating expenses relating to other long-term obligations (note 11)	2,888	2,888
Changes in assets and liabilities that provided/(used) cash		
Accounts receivable	6,439	(4,125)
Fuel and materials and supplies inventories	(11,696)	(73)
Prepayments and other assets	139	(3,642)
Regulatory assets	(3,397)	(3,247)
Deferred outflows of resources	4,007	(15,602)
Accounts payable	1,585	5,356
Net pension liability	(2,246)	22,750
Asset retirement obligations	2,630	4,031
Other liabilities	6,272	849
Deferred inflows of resources	35,597	20,383
Net cash provided by operating activities	\$ 66,851	\$ 76,484
Noncash capital and related financing activities		
Additions of electric utility plant through incurrence of accounts payable	\$ 2,136	\$ 3,493
Additions of electric utility plant through leasing and subscription	586	1,736
Amortization of regulatory assets (debt issuance costs)	80	88
Amortization of bond premiums, deferred loss and deferred gain on refundings	(1,557)	(1,729)

See notes to financial statements.

Platte River Power Authority
Defined benefit pension plan
Statements of fiduciary net position
Dec. 31, 2023 and 2022

	Dec. 31,	
	2023	2022
	<i>(in thousands)</i>	
Assets		
Cash equivalents	\$ 1,734	\$ 2,031
Investment income receivable	7	8
Investments		
Fixed income securities	32,174	28,482
Domestic equity securities	39,885	37,863
International equity securities	22,716	22,946
Infrastructure	2,687	2,541
Natural resources	6,548	7,395
Real estate funds	2,782	2,440
Private credit	2,714	1,252
Private equity	1,672	114
Reinsurance funds	-	13
Total investments	111,178	103,046
Total assets	112,919	105,085
Net position restricted for pension benefits	\$ 112,919	\$ 105,085

See notes to financial statements.

Platte River Power Authority
Defined benefit pension plan
 Statements of changes in fiduciary net position
 Dec. 31, 2023 and 2022

	Years ended Dec. 31,	
	2023	2022
	<i>(in thousands)</i>	
Additions		
Employer contributions	\$ 6,041	\$ 4,333
Investment income		
Net increase (decrease) in fair value of investments	6,509	(15,430)
Interest and dividends	3,653	3,115
Net investment income (loss)	10,162	(12,315)
Total additions	16,203	(7,982)
Deductions		
Benefit payments	8,369	8,450
Change in plan net position	7,834	(16,432)
Net position restricted for pension benefits		
Beginning net position	105,085	121,517
Ending net position	\$ 112,919	\$ 105,085

See notes to financial statements.

Platte River Power Authority
Notes to financial statements
 Dec. 31, 2023 and 2022

1. Organization

Platte River Power Authority was organized under Colorado law as a separate governmental entity by the four owner communities of Estes Park, Fort Collins, Longmont and Loveland. Platte River contracted to supply the wholesale electric power and energy requirements of each of these owners, with limited exceptions. An owner may self-supply power and energy equivalent to the capacity of its generating facilities in service on Sept. 5, 1974, and may add new resources up to a limit of 1,000 kW or 1% of the owner community's peak load, whichever is greater. An owner community may also purchase power from its net metered customers subject to net metering limitations. Platte River's power supply contracts currently extend through Dec. 31, 2060.

Each of the four owner communities has a residual interest in Platte River's assets and liabilities upon dissolution, which is proportional to the total revenue received from each owner community since Platte River was organized, less any contributions of assets previously distributed. Based upon electric revenues billed from inception through Dec. 31, 2023, these residual interests are approximately as follows.

	Residual interest
City of Fort Collins	48%
City of Longmont	26%
City of Loveland	22%
Town of Estes Park	4%
	100%

Under Colorado law and the owner community contracts, the board has the exclusive authority to establish the electric rates to be charged to the owner communities. Platte River must follow specified statutory procedures, including public notice and holding a hearing to receive public comments, before adopting an annual budget.

The defined benefit pension plan is a single-employer defined benefit pension plan, which Platte River includes in the financial statements as a fiduciary component unit reported as a pension trust fund in the fiduciary funds statements. Platte River's board is the designated governing body over the defined benefit pension plan and has authority to amend the defined benefit pension plan. The retirement committee established under the defined benefit pension plan oversees the plan's investments. Platte River does not issue separate stand-alone financial statements of the defined benefit pension plan.

2. Operations

Rawhide Energy Station

The Rawhide Energy Station consists of Rawhide Unit 1, a 280 megawatt (net) coal-fired generating facility, a cooling pond, coal-handling facilities, related transmission facilities, five simple-cycle natural gas-fired combustion turbines and two solar facilities. Natural gas units A

Platte River Power Authority

Notes to financial statements

Dec. 31, 2023 and 2022

through D have summer peaking capacity of 65 megawatts each and unit F has a summer peaking capacity of 128 megawatts. Solar facilities include Rawhide Solar Flats (30 megawatts) and Rawhide Prairie Solar (22 megawatts). Rawhide Prairie Solar has an integrated battery storage system of two megawatt-hours, which can be discharged once daily at a rate up to one megawatt per hour. Platte River owns and operates all Rawhide Energy Station facilities except for the solar and battery storage facilities. Rawhide Unit 1 is scheduled to retire by Dec. 31, 2029.

Yampa project

Platte River owns 18%, or 151 megawatts, of Craig units 1 and 2 of the Yampa Project as a tenant-in-common with four other electric utilities. The current Yampa Project Participation Agreement took effect April 15, 1992. Craig units 1 and 2 are scheduled to retire by Dec. 31, 2025 and Sept. 30, 2028, respectively. The Yampa Project consists of 837 megawatts of coal-fired generation and associated transmission plant facilities located near the town of Craig in northwestern Colorado. Platte River's share of the plant investment is included in plant in service, net, in the accompanying statements of net position. Platte River's share of operating expenses of the Yampa Project is included in operating expenses in the accompanying statements of revenues, expenses and changes in net position. Separate financial statements for the Yampa Project are not available. In addition, Platte River and two of the other Yampa Project participants own Trapper Mining, Inc., which owns and operates the adjacent coal mine that supplies coal for Craig units 1 and 2.

Windy Gap water

Under an agreement with the Municipal Subdistrict of Northern Colorado Water Conservancy District, Platte River is entitled to an allocation of the available water from the Windy Gap Project, a water diversion facility completed May 1, 1985. The water is used in operations at the Rawhide Energy Station. Platte River's share of operating expenses of the Windy Gap Project is included in operating expenses in the accompanying statements of revenues, expenses and changes in net position. Additionally, Platte River is a participant in the Windy Gap Firming Project (Chimney Hollow Reservoir) following cash contributions from participants and the issuance of pooled financing for the project in 2021 (notes 6 and 11).

3. Summary of significant accounting policies

Reporting entity

For financial reporting purposes, Platte River meets the criteria of an "other stand-alone government." As a municipal utility and a separate governmental entity, Platte River is exempt from taxes on its income. Platte River is also exempt from taxes on its property located in Colorado.

The defined benefit pension plan is a single-employer defined benefit pension plan covering all employees of Platte River hired before Sept. 1, 2010 (note 8). Platte River contributes to the defined benefit pension plan based upon actuarial studies and has primary responsibility for managing the defined benefit pension plan. All retirement plan committee members are

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appointed by the board. Platte River also provides all accounting, reporting and administrative services to the defined benefit pension plan. Platte River has fiduciary responsibility for the defined benefit pension plan. Platte River includes the defined benefit pension plan in the accompanying basic financial statements as a fiduciary component unit of Platte River reported as a pension trust fund in the fiduciary funds statements.

Basis of accounting

Platte River accounts for its financial operations as a “proprietary fund.” The accompanying financial statements for Platte River and the defined benefit pension plan have been prepared using the accrual method of accounting in conformity with accounting principles generally accepted in the United States of America. Platte River’s accounts are maintained in accordance with the Uniform System of Accounts as prescribed by FERC.

As a board-regulated entity, Platte River is subject to the provisions of GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, Regulated Operations, paragraphs 476–500, which requires the effects of the rate-making process to be recorded in the financial statements. Accordingly, certain expenses and revenues normally reflected in the statements of revenues, expenses and changes in net position as incurred are recognized when they are included in Platte River’s wholesale rates. Platte River has recorded various regulatory assets and credits to reflect the rate-making process (note 6).

Budgetary process

The Colorado State Local Government Law requires a formal budgetary process, which Platte River uses as a management control tool. Staff must submit a proposed annual budget to the board by Oct. 15 of each year. Following a public hearing, the board considers the budget for adoption on or before Dec. 31. Because Platte River operates as an enterprise, it is not subject to the Colorado Taxpayers’ Bill of Rights.

Use of estimates

Platte River prepares its financial statements for itself and the defined benefit pension plan in conformity with accounting principles generally accepted in the United States of America as prescribed by GASB. These require management to make estimates and assumptions that affect (a) the reported amounts of assets, deferred outflows of resources, liabilities and deferred inflows of resources, (b) disclosure of contingent assets and liabilities at the date of the financial statements and (c) the reported amounts of revenues and expenses during the reporting period. Actual results may differ from those estimates.

Electric utility plant and depreciation

Electric utility plant is stated at the historical cost of construction and includes expenditures of \$5,000 or more for property, equipment or construction projects with an estimated useful life greater than two years. Construction costs include labor, materials, contracted services, and the allocation of indirect charges for engineering, supervision, transportation and administrative

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expenses. The cost of additions to utility plant and replacement property units is capitalized. Repairs, maintenance and minor replacement costs are charged to expense when incurred.

Platte River engages in leasing activity, both as a lessee and a lessor. In accordance with GASB Statement No. 87, *Leases*, the lease term is the period where there is a noncancellable right to use the underlying asset. For lessor contracts, lease receivables and deferred inflows of resources are recognized at present value. Lease receivables are reported in prepayments and other assets for the current portion and other long-term assets for the long-term portion within the statements of net position. For lessee contracts, lease assets and related liabilities are recognized at present value using Platte River's estimated incremental borrowing rate unless otherwise contained in the contract terms. Lease assets are reported in electric utility plant and lease liabilities are reported in lease and subscription liabilities within the statements of net position. This recognition applies to leases with a present value of \$50,000 or more at the beginning of the lease term and a term greater than one year.

Platte River also enters into subscription-based information technology arrangements. In accordance with GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, the subscription term is the period where there is a noncancellable right to use the underlying asset, including considerations for options within contracts to extend the terms based on management's best estimate of exercising those options at the time of commencement. Subscription assets and related liabilities are recognized at present value using Platte River's estimated incremental borrowing rate, unless otherwise contained in the contract terms, at the commencement of the subscription term. Subscription assets also include other costs incurred during the initial implementation stage. Subscription assets are reported in electric utility plant and subscription liabilities are reported in lease and subscription liabilities within the statements of net position. This recognition applies to subscriptions with a present value of \$50,000 or more at the commencement of the subscription term and a term greater than one year.

Depreciation is recorded using the straight-line method over the estimated useful lives of the various classes of plant in service, which range from five to 50 years. Following asset closure announcements, assets are evaluated and estimated useful lives are accelerated, as applicable. For lease and subscription assets, amortization is recorded over the shorter of the lease or subscription term, or the useful life of the underlying asset.

Cash and cash equivalents

For purposes of the statements of cash flows, Platte River considers all cash on deposit with financial institutions and highly liquid investments with an original maturity of less than three months, excluding special funds and investments, as cash and cash equivalents. At Dec. 31, 2023, cash equivalents consisted of local government investment pools and money market funds. At Dec. 31, 2022, cash equivalents consisted of local government investment pools, money market funds and collateralized bank deposit accounts.

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Closure and postclosure care costs of disposal facility

Platte River accrues a liability of estimated future closure and postclosure care costs for its Rawhide Energy Station ash disposal facility. The liability is determined by multiplying the estimated closure and postclosure care costs in current dollars by the percentage of the disposal facility's total estimated capacity, by cell, used through the end of the year (note 10). Platte River complies with financial assurance annual requirements of the Colorado Department of Public Health and Environment. No assets are restricted for payment of closure and postclosure care costs.

Asset retirement obligations

An asset retirement obligation is a legally enforceable liability associated with the retirement of a tangible capital asset. Following GASB Statement No. 83, *Certain Asset Retirement Obligations*, Platte River records an asset retirement obligation liability when it has determined that a liability has been incurred based on (a) the occurrence of an external obligating event, such as laws, regulations, contracts or court judgments and (b) an internal obligating event that obligates it to perform asset retirement activities. Platte River updates the asset retirement obligations by inflation or deflation annually and when significant changes occur (note 9).

Long-term debt

Platte River defers the difference between the reacquisition price and the net carrying amount of refunded debt (deferred amount on refundings) in an advance refunding. Platte River then amortizes the difference as a component of interest expense using the bonds outstanding method over the shorter of the remaining life of the defeased debt or the life of the new debt. The deferred amounts are reported as deferred outflows or inflows of resources.

Operating revenues and expenses

Operating revenues and expenses consist of revenues and costs directly related to the generation, purchase, sale and transmission of electricity. Operating revenues are recorded at the end of each month for all electricity delivered. Operating revenues include the amount of deferred regulatory revenues recorded as a regulatory credit (note 6) to be recognized in one or more future periods. Revenues and expenses related to financing, investing and other activities are considered nonoperating.

Compensated absences

Platte River allows employees to accumulate unused vacation and sick leave. Vacation leave may be accumulated to a specified limit, which increased during 2023, whereas accumulated sick leave is unlimited. Employees are entitled to full payment for any unused vacation leave upon retirement or termination of employment; they are paid at a reduced rate for any accumulated unused sick leave. Accrued liabilities for compensated absences are valued using the vesting method.

In the financial statements, Platte River estimates a portion of the total unused vacation and sick leave as due within one year with the remainder of the liability recorded as a noncurrent liability (note 10).

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Deferred outflows of resources

Deferred outflows consist of unamortized deferred losses on debt refunding, defined benefit pension plan-related deferrals (note 8) and unamortized asset retirement obligations (note 9).

Deferred inflows of resources

Deferred inflows consist of unamortized deferred gains on debt refunding, regulatory credits (note 6), defined benefit pension plan-related deferrals (note 8) and lease deferrals (note 4).

Use of restricted and unrestricted resources

Platte River's use of restricted and unrestricted resources is based on the intended purposes stated in the bond resolutions.

Adoption of recent accounting pronouncement

In 2023, Platte River implemented GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. Subscription-based information technology arrangements are contracts that convey control of the right to use another entity's information technology software, alone or in combination with tangible capital assets, as specified for a period of time in an exchange or exchange-like transaction without the transfer of ownership of the asset. GASB Statement No. 96 applies to financial statements with reporting periods beginning after June 15, 2022, and affects the statements of net position, statements of revenues, expenses and changes in net position and the statements of cash flows. The 2022 statement of net position, statement of revenues, expenses and changes in net position and statement of cash flows were restated for comparative purposes. Note 19 outlines the impacts of the restatement to the financial statements.

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4. Electric utility plant

Electric utility plant asset activity for the year ended Dec. 31, 2023, was as follows.

	Dec. 31, 2022				Dec. 31, 2023
	restated	Increases	Decreases		
	<i>(in thousands)</i>				
Nondepreciable assets					
Land and land rights	\$ 19,446	\$ -	\$ -	\$ -	19,446
Construction work in progress	24,873	25,893	(18,909)		31,857
	<u>44,319</u>	<u>25,893</u>	<u>(18,909)</u>		51,303
Depreciable assets					
Production plant	968,867	10,991	(1,839)		978,019
Transmission plant	398,183	4,307	(1,405)		401,085
General plant	96,325	2,633	(680)		98,278
	<u>1,463,375</u>	<u>17,931</u>	<u>(3,924)</u>		1,477,382
Less accumulated depreciation	<u>(936,451)</u>	<u>(40,719)</u>	<u>3,030</u>		(974,140)
	526,924	(22,788)	(894)		503,242
Amortizable lease assets					
General plant	134	-	-		134
Less accumulated amortization	<u>(13)</u>	<u>(9)</u>	<u>-</u>		(22)
	121	(9)	-		112
Amortizable subscription assets					
General plant	3,423	1,145	-		4,568
Less accumulated amortization	<u>(493)</u>	<u>(1,338)</u>	<u>-</u>		(1,831)
	<u>2,930</u>	<u>(193)</u>	<u>-</u>		2,737
Total electric utility plant	<u>\$ 574,294</u>	<u>\$ 2,903</u>	<u>\$ (19,803)</u>	<u>\$ -</u>	\$ 557,394

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Electric utility plant asset activity for the year ended Dec. 31, 2022, was as follows.

	Dec. 31, 2021	Increases	Decreases	Dec. 31, 2022 restated
		<i>(in thousands)</i>		
Nondepreciable assets				
Land and land rights	\$ 19,446	\$ -	\$ -	\$ 19,446
Construction work in progress	27,831	24,459	(27,417)	24,873
	47,277	24,459	(27,417)	44,319
Depreciable assets				
Production plant	961,290	11,849	(4,272)	968,867
Transmission plant	394,050	4,972	(839)	398,183
General plant	87,924	8,945	(544)	96,325
	1,443,264	25,766	(5,655)	1,463,375
Less accumulated depreciation	(901,353)	(39,223)	4,125	(936,451)
	541,911	(13,457)	(1,530)	526,924
Amortizable lease assets				
General plant	134	-	-	134
Less accumulated amortization	-	(13)	-	(13)
	134	(13)	-	121
Amortizable subscription assets				
General plant	-	3,423	-	3,423
Less accumulated amortization	-	(493)	-	(493)
	-	2,930	-	2,930
Total electric utility plant	\$ 589,322	\$ 13,919	\$ (28,947)	\$ 574,294

Platte River uses the specific identification method. Under the specific identification method, gains and losses are recognized immediately on the retirement of capital assets. Alternative accounting treatment under a board-approved change in depreciation method accounting policy using GASB 62 (note 6) recognizes the effects of the rate-making process allowing deferred gains and losses on retirements of capital assets to be recognized in a single year or deferred to future periods.

Leasing and subscription activity

Amortizable lease assets represent fiber optic strands from a third party; the contract terminates in 2033. Platte River made no variable payments, and there are no lease impairments as of Dec. 31, 2023 and 2022. In determining the value of the lease assets, there are no payments attributable to residual value guarantees or termination penalties. Liabilities relating to lease assets are discussed in note 12.

Amortizable subscription assets represent various software solutions from multiple third parties with contracts that terminate or are expected to terminate, or transition to ongoing cancellable short-term arrangements, between 2024 and 2026. There were no subscription impairments as

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of Dec. 31, 2023 and 2022. One subscription calls for quarterly payments of \$105,000 to the vendor before the commencement of the subscription term, which is expected to be July 2024, and those payments are recorded as construction work in progress until the commencement of the subscription term, when they will be included in the valuation of the amortizable subscription asset. Liabilities relating to subscription assets are discussed in note 12. Note 19 outlines the details of the restatement of 2022 for GASB 96.

Platte River also leases unused fiber optic strands and co-locate property, included in electric utility plant, to third parties. Lease terms range from 10 to 36 years. Lessor-related balances and activity as of and for the years ended Dec. 31, 2023, and 2022, are shown in the table below.

	2023	2022
	<i>(in thousands)</i>	
Current lease receivable	\$ 120	\$ 148
Noncurrent lease receivable	584	704
Total lease receivable	\$ 704	\$ 852
Lease deferrals	\$ 704	\$ 852
Recognized inflows of resources	\$ 106	\$ 106
Fiber lease pass-through receipts	\$ 42	\$ 42

Lease receivables are reported in prepayments and other assets for the current portion and other long-term assets for the long-term portion within the statements of net position.

Recognized inflows of resources are reported as other income on the statements of revenues, expenses and changes in net position. Platte River received \$11,000 of variable lease payments in 2023 and none in 2022.

5. Cash and investments

Platte River invests funds consistent with Colorado law and Platte River's general power bond resolution, fiscal resolution and investment policy statement. Accordingly, Platte River may invest only in obligations of the United States government and its agencies and other investments permitted under Colorado law. Platte River records its investments at their estimated fair market values. The unrealized holding gains and losses on these investments are included in net increase (decrease) in fair value of investments in the statements of revenues, expenses and changes in net position.

The fair value of investments is presented on the statements of net position as special funds and investments, cash and cash equivalents and other temporary investments. Special funds and investments are either internally dedicated by board resolution (dedicated funds and investments) or restricted by Platte River's general power bond resolution (restricted funds and

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investments). The fair value of investments, excluding accrued interest of \$1,470,000 and \$688,000 as of Dec. 31, 2023 and 2022, respectively, is shown in the following tables.

As of Dec. 31, 2023, Platte River had the following cash and investments and related maturities.

Cash and investment type	Fair value	Investment maturities (in years)		
		Less than 1	1-2	2-3
	<i>(in thousands)</i>			
U.S. Treasuries	\$ 170,284	\$ 72,353	\$ 63,577	\$ 34,354
U.S. agencies				
FFCB	23,737	6,953	-	16,784
FHLB	17,919	8,954	5,928	3,037
Total securities	211,940	88,260	69,505	54,175
Cash and money market funds	5,087	5,087	-	-
Local government investment pools	91,145	91,145	-	-
Total cash and investments	<u>\$ 308,172</u>	<u>\$ 184,492</u>	<u>\$ 69,505</u>	<u>\$ 54,175</u>

Statement of net position presentation of cash, cash equivalents and investments as of Dec. 31, 2023, is as follows.

	Fair value	Accrued interest	Total
	<i>(in thousands)</i>		
Restricted funds and investments	\$ 19,824	\$ 153	\$ 19,977
Dedicated funds and investments	167,481	1,022	168,503
Cash and cash equivalents	70,717	3	70,720
Other temporary investments	50,150	292	50,442
Total cash and investments	<u>\$ 308,172</u>	<u>\$ 1,470</u>	<u>\$ 309,642</u>

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As of Dec. 31, 2022, Platte River had the following cash and investments and related maturities.

Cash and investment type	Fair value	Investment maturities (in years)		
		Less than 1	1-2	2-3
	<i>(in thousands)</i>			
U.S. Treasuries	\$ 166,816	\$ 44,999	\$ 69,801	\$ 52,016
U.S. agencies				
FFCB	12,800	5,879	6,921	-
FHLB	14,664	4,934	6,843	2,887
Total securities	194,280	55,812	83,565	54,903
Certificates of deposit	3,532	3,532	-	-
Cash and money market funds	3,353	3,353	-	-
Local government investment pools	64,601	64,601	-	-
Total cash and investments	<u>\$ 265,766</u>	<u>\$ 127,298</u>	<u>\$ 83,565</u>	<u>\$ 54,903</u>

Statement of net position presentation of cash, cash equivalents and investments as of Dec. 31, 2022, is as follows.

	Fair value	Accrued interest	Total
	<i>(in thousands)</i>		
Restricted funds and investments	\$ 19,271	\$ 67	\$ 19,338
Dedicated funds and investments	150,778	480	151,258
Cash and cash equivalents	48,017	-	48,017
Other temporary investments	47,700	141	47,841
Total cash and investments	<u>\$ 265,766</u>	<u>\$ 688</u>	<u>\$ 266,454</u>

Fair value is the amount received if an asset is sold or paid to transfer a liability in a transaction between market participants at the measurement date. Fair value measurements maximize the use of observable inputs and minimize the use of unobservable inputs. Platte River and the defined benefit pension plan categorize fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are prices determined using observable inputs other than Level 1 prices such as quoted prices for similar assets, quoted prices in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets; Level 3 inputs are significant unobservable inputs. Platte River, excluding the defined benefit pension plan, had the following recurring fair value measurements as of Dec. 31, 2023.

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- U.S. Treasury securities of \$170,284,000 are valued using quoted market prices (Level 1 inputs)
- U.S. agency securities of \$41,656,000 are valued using Level 2 inputs

Platte River, excluding the defined benefit pension plan, had the following recurring fair value measurements as of Dec. 31, 2022.

- U.S. Treasury securities of \$166,816,000 are valued using quoted market prices (Level 1 inputs)
- U.S. agency securities of \$27,464,000 are valued using Level 2 inputs

Platte River, excluding the defined benefit pension plan, uses two local government investment pools for investment. The two pools are the Colorado Local Government Liquid Asset Trust (COLOTRUST) and the Colorado Statewide Investment Program (CSIP). COLOTRUST is a local government investment pool with a stable net asset value. CSIP is a local government investment pool in which the underlying investments are measured at the investments' net asset value. The State of Colorado Securities Commissioner administers and enforces all Colorado statutes governing these pools. They operate similarly to a money market fund and each share equals \$1, although not guaranteed. Investment objectives and strategies focus on safety, liquidity, transparency and competitive yields through investment in a diversified portfolio of short-term marketable securities. They may invest in U.S. Treasury securities and repurchase agreements collateralized by U.S. Treasury securities, certain obligations of U.S. government agencies and highly rated commercial paper. A designated custodial bank serves as a custodian for the portfolios under a custodian agreement. The custodian acts as a safekeeping agent for the investment portfolios and provides services as the depository for direct investments and withdrawals. The custodian's internal records segregate investments owned by the investment pools. The investment pools do not have any limitations or restrictions on participant withdrawals.

As of Dec. 31, 2023 and 2022, all investments of the defined benefit pension plan had a maturity of less than one year or undefined.

Each year, Platte River measures fair value and determines the level within the fair value hierarchy in which the fair value measurements fall. The following table presents the fair value measurements of the defined benefit pension plan's assets recognized in the accompanying financial statements at Dec. 31, 2023 and 2022.

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Dec. 31, 2023	Fair value	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
<i>(in thousands)</i>				
Investments by fair value level				
Cash equivalents	\$ 1,734	\$ -	\$ 1,734	\$ -
Fixed income	32,174	32,174	-	-
Domestic equity	39,885	39,885	-	-
International equity	22,716	22,716	-	-
Infrastructure	2,687	2,687	-	-
Natural resources	6,548	6,548	-	-
Real estate funds	2,782	2,782	-	-
Private credit ⁽¹⁾	2,714	-	-	2,714
Private equity ⁽¹⁾	1,672	-	-	1,672
Total investments by fair value level	<u>\$ 112,912</u>	<u>\$ 106,792</u>	<u>\$ 1,734</u>	<u>\$ 4,386</u>

⁽¹⁾ Fair value as of Sept. 30, 2023.

Dec. 31, 2022	Fair value	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
<i>(in thousands)</i>				
Investments by fair value level				
Cash equivalents	\$ 2,031	\$ -	\$ 2,031	\$ -
Fixed income	28,482	28,482	-	-
Domestic equity	37,863	37,863	-	-
International equity	22,946	22,946	-	-
Infrastructure	2,541	2,541	-	-
Natural resources	7,395	7,395	-	-
Real estate funds	2,440	2,440	-	-
Private credit ⁽¹⁾	1,252	-	-	1,252
Private equity ⁽¹⁾	114	-	-	114
Reinsurance	13	13	-	-
Total investments by fair value level	<u>\$ 105,077</u>	<u>\$ 101,680</u>	<u>\$ 2,031</u>	<u>\$ 1,366</u>

⁽¹⁾ Fair value as of Sept. 30, 2022.

For the defined benefit pension plan, where quoted market prices are available in an active market, securities are classified within Level 1 of the valuation hierarchy. If quoted market prices are not available, then fair values are estimated using quoted prices of securities with similar characteristics or independent asset pricing services and pricing models, the inputs of which are

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market-based or independently sourced market parameters. These include, but are not limited to, yield curves, interest rates, volatilities, prepayments, defaults, cumulative loss projections and cash flows, all of which are classified in Level 2 of the valuation hierarchy. In certain cases where Level 1 or Level 2 inputs are not available, securities are classified within Level 3 of the hierarchy.

Asset allocation

All assets of the defined benefit pension plan are invested to comply with the defined benefit pension plan document (plan document), the defined benefit pension plan investment policy statement and any federal, state or Internal Revenue Service (IRS) laws or regulations. The defined benefit pension plan's investments are governed by the Colorado Uniform Prudent Investor Act. The investment policy statement provides an asset allocation strategy to create a broadly diversified portfolio. The strategy is designed to reflect and be consistent with the objectives expressed in the investment policy statement, subject to the risk tolerance of the retirement committee.

Defined benefit pension plan assets are held by Principal Trust Company under a trust agreement and invested in money market funds, bonds, stock portfolios, infrastructure, natural resources, private equity, private credit or real estate as directed by the retirement committee. Northern Trust Investments (Northern Trust), the retirement committee's investment manager, assists the retirement committee in overseeing the investment program. Investment management firms have full discretionary investment authority to invest in a specific asset class, subject to the policies and guidelines of the investment policy statement.

The investment mix and percentage allocations were as follows at Dec. 31.

Asset class	2023	2022
Domestic equities	36%	37%
International equities	15%	18%
Emerging market equities	6%	4%
Fixed income	16%	12%
High yield	12%	14%
Infrastructure	2%	2%
Natural resources	6%	7%
Real estate	2%	2%
Cash & cash equivalents	2%	3%
Private credit	2%	1%
Private equity	1%	0%

Rate of return

For the years ended Dec. 31, 2023 and 2022, the money-weighted rate of return on defined benefit pension plan investments, net of investment expense, was 9.8% and (10.3%), respectively. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

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Interest rate risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment.

To limit exposure to fair value losses from rising interest rates, Platte River's investment policy and Colorado law limit the investment portfolio, excluding the defined benefit pension plan, to maturities of five years or less. Platte River uses a laddered approach to investing funds based on projected cash flows. The assumed maturity date for callable securities is based on market conditions as of Dec. 31, 2023. If the price of the security is at or above its call price, the security is assumed to be redeemed on its next call date.

The defined benefit pension plan's fixed income assets are invested in a core fixed-income exchange-traded fund (ETF), a high-yield fixed-income ETF, an inflation-focused ETF and an ultra-short-term fixed-income ETF. The funds are managed by Northern Trust. As interest rates decline, the value of a fixed-income bond fund is likely to increase. Securities with longer durations tend to be more sensitive to changes in interest rates, usually making them more volatile than securities with shorter durations. Given the long-term nature of the defined benefit pension plan, the investment policy statement does not place maturity restrictions on its bond funds.

Credit risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations.

Platte River's investment policy allows investments in local government investment pools and money market funds. As of Dec. 31, 2023, Platte River, excluding the defined benefit pension plan, maintained investments in funds managed by the local government investment pools COLOTRUST and CSIP. COLOTRUST and CSIP Liquid Portfolios are both rated AAAM by S&P Global Ratings (S&P). CSIP Liquid Portfolio is also rated AA Af by Fitch Ratings. Platte River's investments in the Federal Farm Credit Bank (FFCB) and the Federal Home Loan Bank (FHLB) were rated Aaa by Moody's Investors Service and AA+ by S&P.

The defined benefit pension plan's core fixed income fund portfolio objective, under normal conditions, is to primarily invest up to 80% of its net assets in U.S. dollar-denominated investment-grade fixed-income securities either directly or indirectly through ETFs. The defined benefit pension plan's high yield allocation invests at least 80% of its assets in below investment-grade corporate bonds (not in default) as rated by at least one nationally recognized statistical rating organization. As of Dec. 31, 2023, the defined benefit pension plan's average credit quality for its core fixed-income and high-yield allocations were AA and B, respectively. The ultra-short fixed-income ETF has an average credit quality of A, while the inflation-focused ETF is 100% securities backed by the U.S. Treasury.

Private credit and private equity risk

The private credit and private equity investments in the defined benefit pension plan are subject to various risk factors resulting from the investment activities of the fund managers and the

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unique structures of the investments, including market, liquidity and capital risk. Private credit and private equity are diversified, multi-manager private lending investments and subject to market risk. Additionally, the funds report a market value on a quarterly basis – a less frequent measurement that can make using traditional methods to monitor and measure market risk more difficult. As a result of this reporting frequency, the fair value measurements reflected in the financial statements are as of Sept. 30, 2023 and 2022, respectively. The investments are subject to illiquidity risk. The funds' multi-manager structures are designed to help mitigate individual manager or company risk. Other risks include quality of the fund managers, interest rate risk and currency risk.

Concentration of credit risk

Concentration of credit risk is the risk of loss attributed to the magnitude of investments in a single issuer.

Platte River's investment policy, excluding the defined benefit pension plan, requires assets held in Platte River's funds be diversified to eliminate the risk of loss resulting from over concentration of assets in a specific maturity, a specific issuer or a specific class of securities. As of Dec. 31, 2023, more than 5% of Platte River's investments were concentrated in FFCB and FHLB. These investments were 8% and 6% of Platte River's total investments, respectively (including investments held in local government investment pools and certificates of deposit).

Custodial credit risk

Custodial credit risk is the risk that, if the counterparty fails, the defined benefit pension plan will not be able to recover the value of its investments or collateral securities held by that counterparty. The defined benefit pension plan's assets are held in trust and the custodial relationship is defined in the plan document. At Dec. 31, 2023 and 2022, the defined benefit pension plan did not identify any investments subject to custodial credit risk.

Foreign currency risk

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment or a deposit.

The defined benefit pension plan has exposure to foreign currency risk through its international equity, emerging markets, global natural resources, global infrastructure and global real estate allocations. These are all ETFs. For the defined benefit pension plan's international and emerging markets equity allocations, the portfolios invest primarily in foreign denominated securities and typically do not hedge currency risk. The remaining allocations invest primarily in domestic and foreign-denominated securities while also not typically hedging currency risk. As of Dec. 31, 2023, foreign non-dollar allocations for the global natural resources allocation were 63.4%, foreign non-dollar allocations for the global infrastructure allocation were 60.0% and foreign non-dollar allocations for the global real estate allocation were 31.4%. The defined benefit pension plan's investments in international and emerging markets equity strategies, as of Dec. 31, 2023 and 2022, were \$22.7 million and \$22.9 million, respectively.

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The defined benefit pension plan's exposure to foreign currency risk in U.S. dollars as of Dec. 31, 2023, is shown in the following table.

Currency	Total	International stocks	Fixed income
		<i>(in thousands)</i>	
Austrailian dollar	\$ 1,418	\$ 1,133	\$ 285
Bermudian dollar	33	-	33
Brazilian real	444	444	-
Canadian dollar	3,955	3,055	900
Chilean peso	1	1	-
Chinese yuan renminbi	1,412	1,407	5
Colombian peso	25	-	25
Danish krone	214	213	1
European euro	5,759	4,816	943
Hong Kong dollar	1,006	1,006	-
Indian rupee	1,431	1,431	-
Indonesian rupiah	139	139	-
Israeli new shekel	613	613	-
Japanese yen	4,357	4,323	34
Korean won	557	556	1
Kuwaiti dinar	173	173	-
Malaysian ringgit	412	412	-
Mexican peso	87	77	10
Moroccan dirham	87	87	-
New Zealand dollar	56	51	5
Norwegian krone	288	288	-
Peruvian sol	1	1	-
Philippine peso	78	78	-
Pound sterling	2,928	2,617	311
Qatari riyal	253	253	-
Saudi riyal	687	687	-
Singapore dollar	940	940	-
South African rand	42	42	-
Sweedish krona	113	100	13
Swiss franc	2,156	2,138	18
Taiwan dollar	1,048	1,048	-
Tanzanian shilling	7	-	7
Thai baht	235	235	-
Turkish new lira	27	27	-
Ukrainian hryvnia	11	-	11
UAE dirham	429	429	-
Vietnamese dong	1	1	-
	<u>\$ 31,423</u>	<u>\$ 28,821</u>	<u>\$ 2,602</u>

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The defined benefit pension plan's exposure to foreign currency risk in U.S. dollars as of Dec. 31, 2022, is shown in the following table.

Currency	Total	International		Reinsurance ⁽¹⁾
		stocks	Fixed income	
<i>(in thousands)</i>				
Australian dollar	\$ 1,498	\$ 1,375	\$ 123	\$ -
Bermudian dollar	129	-	129	-
Brazilian real	438	438	-	-
Canadian dollar	4,480	3,478	1,002	-
Caymanian dollar	39	-	39	-
Chilean peso	1	1	-	-
Chinese yuan renminbi	64	64	-	-
Colombian peso	2	-	-	2
Danish krone	547	542	5	-
European euro	5,572	4,553	1,019	-
Hong Kong dollar	2,174	2,174	-	-
Hungarian forint	22	22	-	-
Indian rupee	572	572	-	-
Indonesian rupiah	140	140	-	-
Israeli new shekel	659	659	-	-
Japanese yen	5,005	4,936	69	-
Korean won	146	144	2	-
Kuwaiti dinar	267	267	-	-
Liberian dollar	85	-	85	-
Malaysian ringgit	254	254	-	-
Mauritius rupee	13	-	13	-
Mexican peso	52	52	-	-
Moroccan dirham	56	56	-	-
New Zealand dollar	80	61	19	-
Norwegian krone	211	211	-	-
Peruvian sol	20	20	-	-
Philippine peso	34	34	-	-
Pound sterling	3,660	3,257	403	-
Qatari riyal	145	145	-	-
Saudi riyal	374	373	1	-
Singapore dollar	1,069	1,069	-	-
South African rand	100	100	-	-
Sweedish krona	142	97	45	-
Swiss franc	2,524	2,484	40	-
Taiwan dollar	634	634	-	-
Thai baht	236	236	-	-
UAE dirham	626	626	-	-
	\$ 32,070	\$ 29,074	\$ 2,994	\$ 2

(1) Foreign currency exposure through the reinsurance fund as of Oct. 31, 2022.

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6. Regulatory assets and deferred inflows of resources related to regulatory credits

For rate-making purposes, Platte River's board has approved the following policies under GASB 62, paragraphs 476-500.

Additional pension funding expense recognition

Platte River funds its defined benefit pension plan (note 8) based on cost estimates developed on an actuarial basis. In addition to the base contribution, Platte River has an additional funding charge if the market value of the assets is less than 100% of the actuarial present value of accumulated plan benefits. A board-approved policy allows Platte River to record the additional pension funding charge as a regulatory asset and recognize the expense over a 10-year period.

Pension contribution expense recognition

This board-approved policy requires pension contributions for the defined benefit pension plan to be recorded as pension expense because the pension contribution amount is known at the time of budget preparation and rate setting. Any difference between pension contribution and pension expense, as calculated by the actuary under GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, is classified as either a regulatory asset or a deferred inflow of resources and amortized over a 10-year period beginning the following year. The amortization amount is included in pension expense along with the pension contribution for each year calculated.

Debt issuance expense recognition

Under GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, debt issuance costs must be expensed in the period incurred rather than amortized over the life of the related debt. To provide recovery for debt issuance costs through rates, this board-approved policy provides for the expense recognition of debt issuance costs to be amortized over the life of the associated debt and included in regulatory assets.

Windy Gap Firing Project

This board-approved policy allows Platte River's costs for the Windy Gap Firing Project (Chimney Hollow Reservoir) (note 11) to be recorded as a regulatory asset and other long-term obligations. These costs are recognized ratably over the term of the pooled financing with the unamortized component included in regulatory assets and the outstanding balance of the pooled financing included in other long-term obligations. The value of the debt service payments under the pooled financing is expensed as an operations and maintenance expense and not accounted for as debt service.

Maintenance outage expense accrual

Under this board-approved policy, Platte River accrues estimated incremental expenses of future scheduled major maintenance outages each year. After a Rawhide Unit 1 maintenance

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outage is completed, the estimated maintenance and replacement power costs for the next major maintenance outage are accrued as a deferred inflow of resources.

Change in depreciation method

Platte River changed depreciation method from the group method to the specific identification method during 2020. Under the specific identification method, gains and losses would be recognized immediately on the retirement of capital assets. Alternative accounting treatment under this board-approved policy recognizes the effects of the rate-making process whereby deferred gains and losses on retirements of capital assets may be recognized in a single year or deferred to future periods.

Craig units 1 and 2 decommissioning accrual

The owners of the Craig Generating Station, acting through Tri-State as operating agent, have announced that Craig Unit 1 is scheduled to retire by Dec. 31, 2025, and Craig Unit 2 is scheduled to retire by Sept. 30, 2028. Decommissioning and closure costs have not been fully determined and no binding obligation exists. Under general accounting rules, without a binding obligation the expense related to decommissioning and closure would not be recognized and therefore funds would not be recovered through rates. This board-approved accounting policy records accretion of estimated decommissioning costs for Craig units 1 and 2 using the budgetary estimate provided by Tri-State. Once a binding obligation exists, Platte River will account for decommissioning costs under GASB 83.

Deferred revenue and expense

This board-approved accounting policy authorizes the general manager/CEO to defer revenues or expenses to reduce rate pressure and achieve rate smoothing as Platte River transitions its portfolio to meet the Resource Diversification Policy goal. Any amount of change in net position above the minimum required to achieve the strategic financial plan metrics can be deducted from operating revenues and held on the statement of net position as a regulatory credit, to be recorded as revenue in one or more future periods. Alternatively, any amount of change in net position below the minimum required to achieve the strategic financial plan metrics can be deducted from operating expenses and held on the statement of net position as a regulatory asset, to be recorded as expense in one or more future periods. The regulatory credit for this policy was restated with the implementation of a GASB 96 (notes 3 and 19).

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Regulatory assets and deferred inflows of resources related to regulatory credits as of Dec. 31, 2023, are shown in the tables below.

	Dec. 31, 2022 restated	Additions	Reductions	Dec. 31, 2023
Regulatory assets				
Additional pension funding expense recognition	\$ 5,445	\$ 3,000	\$ (853)	\$ 7,592
Pension contribution expense recognition	11,690	2,528	(1,278)	12,940
Debt issuance expense recognition	558	-	(80)	478
Windy Gap Firing Project	111,261	-	(693)	110,568
Total regulatory assets	<u>\$ 128,954</u>	<u>\$ 5,528</u>	<u>\$ (2,904)</u>	<u>\$ 131,578</u>
Deferred inflows of resources				
Regulatory credits				
Maintenance outage expense accrual	\$ 3,840	\$ 3,621	\$ -	\$ 7,461
Pension contribution expense recognition	5,724	-	(657)	5,067
Change in depreciation method	43,313	-	(6,888)	36,425
Craig units 1 and 2 decommissioning accrual	1,331	1,424	-	2,755
Deferred revenue and expense	21,739	31,497	-	53,236
Total regulatory credits	<u>\$ 75,947</u>	<u>\$ 36,542</u>	<u>\$ (7,545)</u>	<u>\$ 104,944</u>

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Regulatory assets and deferred inflows of resources related to regulatory credits as of Dec. 31, 2022, are shown in the tables below.

	Dec. 31, 2021	Additions	Reductions	Dec. 31, 2022 restated
	<i>(in thousands)</i>			
Regulatory assets				
Additional pension funding expense recognition	\$ 5,200	\$ 1,141	\$ (896)	\$ 5,445
Pension contribution expense recognition	8,688	4,280	(1,278)	11,690
Debt issuance expense recognition	646	-	(88)	558
Windy Gap Firing Project	111,954	-	(693)	111,261
Total regulatory assets	\$ 126,488	\$ 5,421	\$ (2,955)	\$ 128,954
Deferred inflows of resources				
Regulatory credits				
Maintenance outage expense accrual	\$ 324	\$ 3,516	\$ -	\$ 3,840
Pension contribution expense recognition	6,191	-	(467)	5,724
Change in depreciation method	50,200	-	(6,887)	43,313
Craig units 1 and 2 decommissioning accrual	-	1,331	-	1,331
Deferred revenue and expense	-	21,739	-	21,739
Total regulatory credits	\$ 56,715	\$ 26,586	\$ (7,354)	\$ 75,947

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7. Long-term debt

Long-term debt outstanding as of Dec. 31, 2023 and 2022, consisted of the following.

	<u>Interest rate</u>	Dec. 31	
		2023	2022
		<i>(in thousands)</i>	
Power revenue bonds (all serial bonds)			
Series JJ maturing 6/1/2036	3.5%–5%	\$ 102,320	\$ 113,490
Taxable Series KK maturing 6/1/2037	1%-1.9%	23,550	24,595
		125,870	138,085
Unamortized bond premium ⁽¹⁾		9,601	11,938
Total revenue bonds outstanding		135,471	150,023
Less: due within one year		(12,790)	(12,215)
Total long-term debt, net		\$ 122,681	\$ 137,808

⁽¹⁾ Fixed rate bond premium costs are amortized over the terms of the related bond issues.

The outstanding balance of Series JJ is callable June 1, 2026. Taxable Series KK is subject to prior redemption, in whole or in part as selected by Platte River, on any date.

Interest expense for the years ended Dec. 31, 2023 and 2022, related to long-term debt outstanding is as follows. The remainder of interest expense, as shown on the statements of revenues, expenses and changes in net position, relates to lease and subscription liabilities as discussed in note 12.

	<u>2023</u>	<u>2022</u>
	<i>(in thousands)</i>	
Interest	\$ 5,233	\$ 5,803
Amortization of bond related costs	(1,477)	(1,640)
Total interest expense	\$ 3,756	\$ 4,163

Calendar year totals for monthly bond service funding requirements per bond resolution for all bonds outstanding are shown in the following table. These may differ from actual semi-annual debt service requirements.

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Year ending Dec. 31	Principal	Interest	Total
	<i>(in thousands)</i>		
Deposits in 2023 for 2024 payment	\$ 7,461	\$ 416	\$ 7,877
2024	13,146	4,642	17,788
2025	13,730	4,023	17,753
2026	14,312	3,449	17,761
2027	14,898	2,826	17,724
2028	15,443	2,246	17,689
2029-2033	28,547	6,079	34,626
2034-2037	18,333	1,180	19,513
	<u>\$ 125,870</u>	<u>\$ 24,861</u>	<u>\$ 150,731</u>

Bond service coverage

Power revenue bonds are secured by a pledge of the revenues of Platte River after deducting operating expenses, as defined in the general power bond resolution. The power revenue bonds issued by Platte River may be subject to early call provisions. Principal and interest payments are met from net revenues earned from wholesale electric rates charged to the owner communities and others, and from interest earnings.

Under the general power bond resolution, Platte River is required to charge wholesale electric energy rates to the owner communities that are reasonably expected to yield net revenues for the forthcoming 12-month period that are equal to at least 1.10 times total power bond service requirements. Under the general power bond resolution, Platte River has established a rate stabilization reserve account. Deposits to this account are a reduction to current net revenues for purposes of computing bond service coverage. Future withdrawals will increase net revenues for purposes of computing bond service coverage and could assist Platte River, at that time, in meeting its wholesale rate covenant. The balances in the rate stabilization reserve account at Dec. 31, 2023 and 2022, were \$20,194,000 and \$19,546,000, respectively, excluding accrued interest. The rate stabilization reserve account is included in dedicated funds and investments in the statements of net position.

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The following table is a calculation of the power revenue bond coverage ratio for the years ended Dec. 31, 2023 and 2022.

	2023	2022 restated
	<i>(in thousands)</i>	
Bond service coverage		
Net revenues		
Operating revenues	\$ 257,249	\$ 271,657
Operating expenses, excluding depreciation, amortization and accretion	227,770	221,209
Net operating revenues	29,479	50,448
Plus interest and other income ⁽¹⁾	8,107	3,326
Net revenues before rate stabilization	37,586	53,774
Rate stabilization		
Deposits	-	-
Withdrawals	-	-
Total net revenues	\$ 37,586	\$ 53,774
Bond service		
Power revenue bonds	\$ 17,783	\$ 17,787
Bond service coverage ratio	2.11	3.02

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

Arbitrage rebate

Under U.S. Treasury Department regulations, all governmental tax-exempt debt issued after Aug. 31, 1986, is subject to arbitrage rebate requirements. Interest income on bond proceeds that exceeds the cost of borrowing is payable to the federal government on every fifth anniversary of each bond issue. Platte River had no arbitrage liability outstanding as of Dec. 31, 2023 and 2022.

Deferred outflows of resources related to debt

As of Dec. 31, 2023 and 2022, deferred outflows related to debt consisted of the unamortized deferred loss on debt refundings of \$2,281,000 and \$3,075,000, respectively.

Deferred inflows of resources related to debt

As of Dec. 31, 2023 and 2022, deferred inflows related to debt consisted of the unamortized deferred gain on debt refundings of \$112,000 and \$126,000, respectively.

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8. Defined benefit pension plan

Description

The following brief description of the defined benefit pension plan is provided for general information purposes only. Participants and all others should refer to the plan document for more complete information. Platte River does not issue separate stand-alone financial statements for the defined benefit pension plan.

Effective June 1, 1973, Platte River adopted the defined benefit pension plan. Generally, the defined benefit pension plan is a defined-benefit, single-employer plan covering all regular employees of Platte River hired before Sept. 1, 2010. The defined benefit pension plan is closed to new employees hired on or after that date.

The general manager of Platte River is the defined benefit pension plan administrator. The retirement committee, composed of six members (two staff members and four members of the board), meets quarterly and oversees the defined benefit pension plan's investments. Platte River's board is the designated governing body over the defined benefit pension plan and has the authority to amend the defined benefit pension plan as necessary. In 2020, the board appointed a defined benefit plan subcommittee. The subcommittee has the power by unanimous resolution to amend the defined benefit pension plan. Platte River pays all administrative expenses of the defined benefit pension plan.

The defined benefit pension plan has received favorable determination letters from the IRS for the original defined benefit pension plan and subsequent amendments effective through Jan. 1, 2014. Thereafter, the IRS ended review of amendments and stopped providing determination letters.

Benefits provided

Retirement benefits are based on years of service rendered and the final average compensation earned by the participant as defined by the plan document. The defined benefit pension plan provides for 100% vesting after five years of service to all eligible employees.

The defined benefit pension plan provides for normal retirement at age 65. A participant may retire before age 65 after having completed 10 years of credited service and having attained at least age 55, with reduced benefits in accordance with the plan document. For a participant who began employment before Jan. 1, 2008, a special early retirement benefit is available if the participant has completed 13 years of credited service and has attained the ages of 55 through 58 or has completed 20 years of credited service and has attained the age of 55. A participant who began employment on or after Jan. 1, 2008, qualifies for special early retirement if the participant has completed 20 years of credited service and terminates employment after attaining age 55. Benefits will not be reduced if the participant elects to receive benefits on or after the seventh anniversary of the date the participant is first eligible for the special early retirement benefit. The defined benefit pension plan also provides for a deferred vested

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retirement income starting at the normal retirement date to participants who choose to leave Platte River before normal retirement age.

Participants may elect to receive their benefits by selecting one of the six forms of payment: (1) the duration of the participant's life; (2) the duration of the participant's life with a minimum of 10 years certain and any remainder paid to a beneficiary; (3) 50% joint and survivor annuity option; (4) 66-2/3% joint and survivor option with a minimum of 10 years certain and any remainder paid to a beneficiary; (5) 66-2/3% joint and survivor option without 10 years certain; or (6) an actuarially equivalent lump sum payment, when this option is available. Active employees who become totally and permanently disabled may qualify for a vested retirement income at age 65 or an early retirement income at ages 55 through 64 if they have met the requirements for these benefits when they initially became disabled. Upon the death of an active or disabled retiree, a benefit in the form of a monthly income or lump sum payment is paid to the participant's beneficiary in accordance with the plan document.

Benefits paid by the defined benefit pension plan are adjusted annually by the change in the consumer price index, subject to a maximum increase of 6% for employees who retired before Dec. 6, 1991. Employees who retired on or after Dec. 6, 1991, receive two-thirds of the change in the consumer price index, up to a maximum of 4%.

Membership

At Dec. 31, participants in the defined benefit pension plan are as follows.

	2023	2022
Retirees and beneficiaries currently receiving benefits	185	180
Terminated vested employees not yet receiving benefits	46	47
Active plan participants	72	77
Total participants	303	304

Contributions

All contributions to the defined benefit pension plan are authorized by the board and made by Platte River. Employees cannot contribute to the defined benefit pension plan. The defined benefit pension plan's funding policy is intended to fund current service costs as they accrue, plus an additional funding charge if the market value of the assets is less than 100% of the actuarial present value of accumulated plan benefits.

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Platte River's contributions to the defined benefit pension plan, equaling or exceeding the actuarially determined requirements for the years ended Dec. 31, 2023 and 2022, are as follows.

	2023	2022
	<i>(in thousands)</i>	
Base contribution	\$ 3,041	\$ 3,192
Additional funding	3,000	1,141
Total contributions	\$ 6,041	\$ 4,333

Expenses

Investment manager fees are deducted from investment earnings by the investment management firms.

Additionally, Platte River pays the administrative expenses of the defined benefit pension plan, including actuarial fees, investment consulting fees, trustee fees, auditing expenses and legal fees.

Net pension liability

The net pension liability was measured and determined by actuarial valuations as of Dec. 31, 2023 and 2022, respectively. The components of the net pension liability were as follows.

	2023	2022
	<i>(in thousands)</i>	
Total pension liability	\$ 141,193	\$ 135,605
Plan fiduciary net position	112,919	105,085
Platte River's net pension liability	\$ 28,274	\$ 30,520
Plan fiduciary net position as a percentage of the total pension liability	79.98%	77.49%

Actuarial assumptions

Total pension liability for the years ended Dec. 31, 2023 and 2022, was determined using the following actuarial assumptions, applied to all periods included in the measurement.

	2023	2022
Salary increases, next calendar period, all ages	3%	7%
Salary increases, all future periods, age <51	4%	4%
Salary increases, all future periods, age 51-65	3%	3%
Salary increases, all future periods, age 66+	2%	2%
Investment rate of return	7.5%	7.5%
Cost of living	1.5%	1.5%

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Mortality rates for the years ended Dec. 31, 2023 and 2022, were based on the Pri-2012 employee, healthy retiree and contingent survivor mortality tables for males and females, projected generationally with the MP-2020 projection scales for males and females.

The actuarial assumption for the long-term expected rate of return on defined benefit pension plan investments is established in the investment policy statement approved by the retirement committee. Platte River establishes a rate using best-estimate ranges of expected future rates of return net of investment expense for each major asset class. The estimates for each major asset class that are included in the defined benefit pension plan's target asset allocation as of Dec. 31, 2023 and 2022, are summarized in the following table.

Asset class	Target allocation		Long-term expected rate of return	
	Dec. 31, 2023	Dec. 31, 2022	2023	2022
Domestic equities	34%	33%	7.0%	7.1%
International equities	16%	16%	6.9%	7.0%
Emerging market equities	6%	7%	6.9%	7.2%
Core fixed income	14%	15%	4.3%	3.1%
Inflation protection	3%	2%	3.7%	3.3%
High yield	7%	7%	6.0%	5.4%
Infrastructure	2%	2%	6.6%	7.1%
Natural resources	5%	5%	7.6%	6.9%
Real estate	2%	2%	7.6%	9.4%
Private credit	4%	4%	6.2%	9.2%
Private equity	6%	6%	8.3%	10.0%
Cash	1%	1%	n/a	n/a

Discount rate

The discount rate used to measure total pension liability was 7.5% for the years ended Dec. 31, 2023 and 2022. Projections of cash flows assumed: (a) employer contributions are made throughout the year and, on average, at midyear and (b) all decrement events are assumed to occur in the middle of the year. Based on these assumptions, the defined benefit pension plan's fiduciary net position was projected to meet all projected future benefit payments of current defined benefit pension plan participants. The long-term expected rate of return on defined benefit pension plan investments was applied to all periods of projected benefit payments to determine total pension liability.

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Changes in net pension liability

Changes in net pension liability for the year ended Dec. 31, 2023, were as follows.

	Total pension liability (a)	Plan fiduciary net position (b)	Net pension liability (a) – (b)
	<i>(in thousands)</i>		
Balances at Dec. 31, 2022	\$ 135,605	\$ 105,085	\$ 30,520
Changes for the year			
Service cost	1,100	-	1,100
Interest	9,939	-	9,939
Changes of benefit terms	-	-	-
Differences between expected and actual experience	2,918	-	2,918
Employer contributions	-	6,041	(6,041)
Net investment income	-	10,162	(10,162)
Benefit payments	(8,369)	(8,369)	-
Changes of assumptions	-	-	-
Net changes	5,588	7,834	(2,246)
Balances at Dec. 31, 2023	\$ 141,193	\$ 112,919	\$ 28,274

Changes in net pension liability for the year ended Dec. 31, 2022, were as follows.

	Total pension liability (a)	Plan fiduciary net position (b)	Net pension liability (a) – (b)
	<i>(in thousands)</i>		
Balances at Dec. 31, 2021	\$ 129,287	\$ 121,517	\$ 7,770
Changes for the year			
Service cost	1,055	-	1,055
Interest	9,459	-	9,459
Changes of benefit terms	-	-	-
Differences between expected and actual experience	4,254	-	4,254
Employer contributions	-	4,333	(4,333)
Net investment loss	-	(12,315)	12,315
Benefit payments	(8,450)	(8,450)	-
Changes of assumptions	-	-	-
Net changes	6,318	(16,432)	22,750
Balances at Dec. 31, 2022	\$ 135,605	\$ 105,085	\$ 30,520

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Sensitivity of the net pension liability to changes in the discount rate

Net pension liability at Dec. 31, 2023, calculated using the current discount rate, as well as using a discount rate 1% lower or 1% higher than the current rate, is as follows.

	<u>Discount rate</u>		<u>Net pension liability 2023</u>
			<i>(in thousands)</i>
1% decrease	6.5%	\$	42,264
Current discount rate	7.5%		28,274
1% increase	8.5%		16,293

Termination

Platte River reserves the right to discontinue its contributions at any time and to terminate the defined benefit pension plan, although it has not expressed any intention to do so. Discontinuing contributions does not constitute a formal termination of the defined benefit pension plan. If Platte River formally terminates the defined benefit pension plan, the net position of the defined benefit pension plan will be distributed in the following order of priority.

- a. The minimum required amount to retired or terminated participants whose retirement income payments began at least three years before the termination date.
- b. Each other active, retired or terminated participant who, at least three years before the termination date, had become eligible for benefits.

Remaining assets are allocated between participants and beneficiaries using the excess above the amount required to provide the actuarial equivalent single sum value.

Platte River is not subject to the provisions of the Employee Retirement Income Security Act of 1974, as amended (ERISA) and is therefore not subject to the pension benefit guaranty provisions of ERISA. Benefits under the defined benefit pension plan are not insured by the Pension Benefit Guaranty Corporation.

Pension expense

The board-approved policies under GASB 62, paragraphs 476–500, allow Platte River to recognize pension expense when recovered through rates rather than recording the amount calculated under GASB 68 (note 6).

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For the years ended Dec. 31, 2023 and 2022, Platte River recognized pension expense as follows.

	2023	2022
	<i>(in thousands)</i>	
Base contribution	\$ 3,041	\$ 3,192
Additional pension funding expense amortization (note 6)	853	896
Pension contribution expense recognition amortization (note 6)	621	811
Total pension expense	\$ 4,515	\$ 4,899

Deferred outflows of resources and deferred inflows of resources related to the defined benefit pension plan

At Dec. 31, 2023 and 2022, Platte River reported deferred outflows of resources and deferred inflows of resources related to the defined benefit pension plan from the following sources.

	Deferred outflows of resources	Deferred inflows of resources
Dec. 31, 2023	<i>(in thousands)</i>	
Differences between expected and actual experience	\$ 1,554	\$ -
Changes of assumptions	-	-
Net difference between projected and actual earnings on investments	8,233	-
Total	\$ 9,787	\$ -

	Deferred outflows of resources	Deferred inflows of resources
Dec. 31, 2022	<i>(in thousands)</i>	
Differences between expected and actual experience	\$ 2,851	\$ -
Changes of assumptions	-	287
Net difference between projected and actual earnings on investments	11,998	-
Total	\$ 14,849	\$ 287

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Amounts reported as deferred outflows of resources and deferred inflows of resources related to the defined benefit pension plan as of Dec. 31, 2023, will be recognized as a component of pension expense as follows.

<u>Year ending Dec. 31</u>	
<i>(in thousands)</i>	
2024	\$ 4,114
2025	2,366
2026	3,781
2027	(474)
2028	-
Total	<u>\$ 9,787</u>

9. Asset retirement obligations

Platte River has evaluated its contracts and current regulations associated with tangible capital assets and identified those subject to asset retirement obligation recognition under GASB Statement No. 83, *Certain Asset Retirement Obligations* and for which costs can be estimated.

Asset retirement obligation activity for the year ended Dec. 31, 2023, was as follows.

	Dec. 31, 2022	Additions	Reductions	Dec. 31, 2023	Due within one year
<i>(in thousands)</i>					
Deferred outflows of resources	\$ 25,316	\$ 4,476	\$ (3,421)	\$ 26,371	\$ -
Liabilities	33,286	4,476	(1,846)	35,916	933

Asset retirement obligation activity for the year ended Dec. 31, 2022, was as follows.

	Dec. 31, 2021	Additions	Reductions	Dec. 31, 2022	Due within one year
<i>(in thousands)</i>					
Deferred outflows of resources	\$ 22,447	\$ 5,069	\$ (2,200)	\$ 25,316	\$ -
Liabilities	29,255	5,069	(1,038)	33,286	1,547

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Rawhide Energy Station decommissioning

As part of the 1979 rezoning resolution and Rawhide Energy Station construction agreement with the Board of County Commissioners of Larimer County, the county government included reclamation or restoration requirements if Platte River abandons the Rawhide Energy Station as a location for the generation of electricity. Platte River agreed to remove all above-ground structures, excluding the cooling pond dam and power plant foundations, in accordance with reasonable specifications and procedures to be agreed upon by both parties at the time of abandonment.

In 2019, Platte River hired an independent engineering firm to estimate the asset retirement obligation under the agreement's reclamation or restoration clause. The firm's report estimates the cost to decommission and demolish all infrastructure to grade, except the substation and transmission line, with no concrete foundation removal. The estimate assumes a contractor will perform the necessary work. The cost estimate has not been reduced for the potential market value of reusable or scrap materials and does not consider associated recycling costs.

Platte River has recognized its asset retirement liability using the "probable cost" price estimates developed by the engineering firm. Cost estimates were provided with a +/- 30 percent high-low range from the probable cost estimate for decommissioning, demolition and environmental cost categories. The deferred outflows of resources and associated liability will be adjusted for inflation/deflation annually and reviewed for other significant changes.

The amortization period for recognition of the deferred outflow of resources is based on the estimated remaining useful life of the Rawhide Energy Station of Dec. 31, 2055.

The deferred outflows of resources and associated liability as of Dec. 31, 2023 and 2022, are shown in the table below.

	2023	2022
	<i>(in thousands)</i>	
Deferred outflows of resources	\$ 15,128	\$ 14,416
Noncurrent liability	17,551	16,403

Rawhide Energy Station impoundments

Platte River is obligated under state laws and regulations to remove wastes from impoundments at the Rawhide Energy Station and confirm that any environmental impact has been addressed before closure. The impoundments used for the generation of electric power and energy and associated purposes include nine phosphorous removal ponds, one retention pond and a fire training pond. Platte River hired an independent consultant to estimate the closure costs of the impoundments. Following state regulations, the estimate will be updated every five years. As a result, Platte River recognized an asset retirement obligation for the estimated clean closure costs of these impoundments and the amount is adjusted annually for inflation/deflation. These costs are amortized over the estimated remaining useful life of each impoundment or the estimated remaining useful life of the facility, whichever is shorter. Impoundments are therefore

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amortized through Rawhide Unit 1's planned retirement date, which is Dec. 31, 2029. Platte River meets the financial assurances required by the state.

The deferred outflows of resources and associated liability as of Dec. 31, 2023 and 2022, are shown in the table below.

	2023	2022
	<i>(in thousands)</i>	
Deferred outflows of resources	\$ 4,397	\$ 4,581
Noncurrent liability	7,178	6,708

Craig Generating Station impoundments

As part of the Yampa Project Amended and Restated Participation Agreement among PacifiCorp, Public Service Company of Colorado, Platte River Power Authority, Salt River Project Agricultural Improvement and Power District and Tri-State Generation and Transmission Association, Inc. (Participation Agreement), the participants must operate, maintain, replace, remove and provide all Yampa Project capital improvements in compliance with laws, executive orders and regulations applicable to the participants. The Participation Agreement continues until the last of Craig Generating Station Unit 1 or 2 is retired from service, and all salvage and required site restoration is completed and the participants have paid their respective shares of those costs. The participants have undivided ownership interests in Craig units 1 and 2 and the common facilities.

Tri-State is the operating agent under the Participation Agreement. Tri-State has given Platte River its best estimate of the current asset retirement obligation liability based on Financial Accounting Standards Board guidance, which is being accreted to a future cashflow estimate and does not currently represent the full liability. The asset retirement obligation consists of restoration costs of five dewatering ponds, a high-quality water holding pond and an evaporation pond used for the generation of electric power and energy and associated uses. Beginning in 2022, the asset retirement obligation increased due to including an estimate for post closure monitoring of the ponds and cost estimate updates. Platte River's interest in Craig units 1 and 2 represents a minority of the asset retirement obligation. Under GASB 83 guidance, Platte River's reported liability depends on the measurement produced by Tri-State. Platte River receives an annual update for its share of the asset retirement obligation from Tri-State and adjusts the liability and future amortization schedule accordingly. Each pond, representing an associated tangible capital asset of the asset retirement obligation liability, is amortized through Craig Unit 2's planned retirement date of Sept. 30, 2028.

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Platte River's share of the deferred outflows of resources and associated liability as of Dec. 31, 2023 and 2022, is shown in the table below.

		2023		2022
<i>(in thousands)</i>				
Total member liability	\$	31,117	\$	29,787
Platte River's % share		12%		12%
Platte River's deferred outflows of resources	\$	2,497	\$	2,830
Platte River's noncurrent liability	\$	3,734	\$	3,575

Trapper Mining Inc. reclamation and mine closure

Trapper Mining Inc. is engaged in the business of mining, selling and delivering coal from the Trapper Mine located near Craig, Colorado, to its members under an agreement with the Craig Generating Station, located adjacent to the Trapper Mine. Trapper Mining Inc. follows Financial Accounting Standard Board guidance and has recorded an asset retirement obligation related to the final reclamation and mine closure based on detailed engineering calculations of the amount and timing of future cash spending for a third party to perform the required work. Under the Final Reclamation Agreement with its members, Trapper Mining Inc. (as contractor) and Salt River Project Agricultural Improvement and Power District, Tri-State, PacifiCorp, Platte River, and Public Service Company of Colorado (as payors) assume responsibility for the asset retirement obligation. The acres of mine to be reclaimed and associated costs are reviewed annually, and the costs are allocated to members based on cumulative tons of coal delivered. Tri-State and Public Service Company of Colorado are no longer members and have settled their asset retirement obligations. The coal contract expires Dec. 31, 2025, and the remaining amount of unamortized deferred outflows of resources is amortized over the remaining term of the contract. In 2021, Trapper Mining Inc. began invoicing for reclamation costs incurred, which Platte River pays and charges against the liability.

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Platte River's share of the deferred outflows of resources and associated liability as of Dec. 31, 2023 and 2022, is shown in the table below.

	2023	2022
	<i>(in thousands)</i>	
Total member liability	\$ 34,498	\$ 28,582
Platte River's % share	26.67%	26.72%
 Platte River's deferred outflows of resources	 \$ 4,349	 \$ 3,489
Platte River's gross liability	\$ 9,201	\$ 7,639
Less: reclamation costs incurred	(1,748)	(1,039)
Platte River's net liability	\$ 7,453	\$ 6,600
Less: current liability	(933)	(1,547)
Noncurrent liability	\$ 6,520	\$ 5,053

Easement agreements

Platte River is a party to numerous easement agreements related to transmission lines and pipelines. These assets are determined to complete a single system, have a perpetual life and are not expected to be retired. Platte River intends to replace sections of its transmission lines, if necessary, and not retire the entire system. Therefore, an asset retirement obligation related to these easements cannot be reasonably estimated.

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10. Noncurrent liabilities

Noncurrent liability activity for the year ended Dec. 31, 2023, was as follows.

	Dec. 31, 2022	Additions	Reductions	Dec. 31, 2023	Due within one year
	<i>(in thousands)</i>				
Long-term debt, net	\$ 150,023	\$ -	\$ (14,552)	\$ 135,471	\$ 12,790
Other liabilities and credits					
Compensated absences	6,765	1,474	(314)	7,925	575
Fiber lease advances	394	-	(47)	347	46
Yampa employee obligation	291	-	(3)	288	-
Disposal facility closure costs	332	1,718	-	2,050	-
Deposits	-	2,175	-	2,175	-
Total other liabilities and credits	7,782	5,367	(364)	12,785	621
Total noncurrent liabilities	\$ 157,805	\$ 5,367	\$ (14,916)	\$ 148,256	\$ 13,411

Noncurrent liability activity for the year ended Dec. 31, 2022, was as follows.

	Dec. 31, 2021	Additions	Reductions	Dec. 31, 2022	Due within one year
	<i>(in thousands)</i>				
Long-term debt, net	\$ 164,297	\$ -	\$ (14,274)	\$ 150,023	\$ 12,215
Other liabilities and credits					
Compensated absences	6,197	981	(413)	6,765	586
Fiber lease advances	455	-	(61)	394	46
Yampa employee obligation	380	-	(89)	291	-
Disposal facility closure costs	212	120	-	332	-
Total other liabilities and credits	7,244	1,101	(563)	7,782	632
Total noncurrent liabilities	\$ 171,541	\$ 1,101	\$ (14,837)	\$ 157,805	\$ 12,847

As discussed in note 3, Platte River has an ash disposal facility, comprising three cells (C1, 2A and 2B), at Rawhide Energy Station and accrues a liability to report a portion of state-regulated closure and postclosure costs, by cell, as an operating expense in each period based on landfill

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capacity used as of each statement of net position date. For this purpose, Cells 1 and 2A are considered at capacity and is no longer accepting waste. They also have similar remaining closure and postclosure requirements. Cell 2B was placed into service at the beginning of 2023. Cell 2B's potential capacity exceeds the projected capacity to be used before closure, therefore Platte River considers the greater of actual capacity used or a straightline percentage through expected closure as the capacity used for determining the liability.

Current regulations require Platte River to place a final cover on Cell 2B as part of closure and postclosure monitoring for 30 years on all cells following the closure process. Closure and postclosure cost estimates are allocated to the cells as determined by management, based on the closure and postclosure activities required by each cell. These cost estimates are based on costs to perform all closure and postclosure compliance in 2023. Platte River expects to begin closing the ash disposal facility no earlier than 2030. Actual costs will vary due to inflation, changes in technology or changes in regulations. Cost estimates are maintained according to financial assurance regulations which include periodic updates by an independent third party. In years where a new cost estimate is not obtained, the costs are updated using inflation rates promulgated by the Colorado Department of Public Health and Environment. Disposal facility closure costs are as follows for the years ended Dec. 31, 2023 and 2022.

	2023	2022
	<i>(in thousands)</i>	
Cells 1 and 2A closure and postclosure care cost estimate	\$ 1,144	\$ 332
Capacity used to date	100%	100%
Cells 1 and 2A disposal facility closure cost liability	\$ 1,144	\$ 332
Cell 2B closure and postclosure care cost estimate	\$ 6,333	\$ 6,657
Capacity used to date	14.3%	0.0%
Cell 2B disposal facility closure cost	\$ 906	-
Total disposal facility closure cost	\$ 2,050	\$ 332

11. Other long-term obligations

Under an agreement between the Windy Gap Firing Project Water Activity Enterprise, Municipal Subdistrict of Northern Colorado Water Conservancy District (Municipal Subdistrict) and Platte River, Platte River has contractual rights to 16,000 acre-feet of storage in the total 90,000 acre-feet storage system known as the Windy Gap Firing Project, of which the largest component is the Chimney Hollow Reservoir. Contractors expect construction to progress

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through 2025, at which point the new reservoir will be ready to fill. The time needed to fill the reservoir will depend on water supply conditions. Total project costs are not final until the construction period ends. Once the project is complete, Platte River will have a perpetual right for capacity in the project.

In 2021, the project was partially financed through a pooled financing with other participants. Due to alternate accounting treatment (note 6) and specifics of the agreement, Platte River recorded a regulatory asset and other long-term obligations. The regulatory asset is the value of the total cost of the project whereas the other long-term obligations represent Platte River's portion of the pooled financing. Platte River did not receive cash with the financing as the project is managed by the Municipal Subdistrict; however, Platte River also cash funded a portion of the project. The debt service payments under the pooled financing are included in operations and maintenance expense and not accounted for as debt service. These payments are considered fixed obligation charges, reported as cash flows from capital and related financing activities and the outstanding balance of the pooled financing is considered other long-term obligations.

Other long-term obligations outstanding consist of the following.

	<u>Interest rate</u>	Dec. 31,	
		2023	2022
		<i>(in thousands)</i>	
Windy Gap Firming Project obligations			
Pooled financing senior debt			
maturing 7/15/2051	4%–5%	\$ 61,046	\$ 61,046
Pooled financing subordinate debt			
estimated to mature 8/1/2055	2.08%	32,360	32,360
Settlement liability	n/a	1,778	1,778
		<u>95,184</u>	<u>95,184</u>
Less: due within one year		(889)	-
Total long-term obligations, net		<u>\$ 94,295</u>	<u>\$ 95,184</u>

Operations and maintenance expenses relating to the pooled financing alternative accounting treatment are as follows.

	<u>2023</u>	<u>2022</u>
	<i>(in thousands)</i>	
Interest	\$ 2,888	\$ 2,888
Principal	-	-
Total operations and maintenance		
expenses relating to the pooled financing	<u>\$ 2,888</u>	<u>\$ 2,888</u>

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Estimated calendar year totals for pooled financing payments under the agreement are as follows. These will change depending on final construction timing and costs, and the ability of the other participants to meet their funding obligations.

Year ending Dec. 31	Estimated net principal ⁽¹⁾	Estimated interest	Total
	<i>(in thousands)</i>		
2024	\$ -	\$ 2,888	\$ 2,888
2025	-	2,888	2,888
2026	2,935	3,561	6,496
2027	3,061	3,438	6,499
2028	3,188	3,308	6,496
2029-2033	18,108	14,376	32,484
2034-2038	22,340	10,143	32,483
2039-2044	18,848	5,069	23,917
2045-2048	8,671	2,395	11,066
2049-2053	8,575	986	9,561
2054-2055	2,833	89	2,922
	<u>\$ 88,559</u>	<u>\$ 49,141</u>	<u>\$ 137,700</u>

⁽¹⁾ Estimated unused senior bond service reserves applied in 2041 and 2051.

Other obligations relating to the project include Platte River's portion of a settlement liability estimated to be payable in 2024 and 2025.

At Dec. 31, 2023 and 2022, other long-term assets include senior bond service reserve funds of \$4,847,000, which are expected to be applied to future principal payments as shown in estimated net principal above but are not included in total other long-term obligations.

At Dec. 31, 2023 and 2022, other long-term assets also include liquidity fund deposits of \$1,562,000 and \$305,000, respectively, which are held for use if another participant defaults. When the pooled financing is fully repaid, liquidity funds are expected to be returned to Platte River.

12. Lease and subscription liabilities

Lease and subscription liabilities represent obligations associated with the recognition of amortizable lease and subscription assets (notes 3 and 4) based on the net present value of anticipated future cashflows at the commencement of each lease or subscription term. When necessary, these anticipated future cashflows consider management's best estimate of exercising optional terms within contracts, and actual terms may differ. No lease or subscription contract has a stated or implied interest rate, therefore, Platte River has used an estimated

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incremental borrowing rate which varies, based on interest rates at the time of each commencement, between 0.4% and 3.6%.

Lease and subscription liability activity for the year ended Dec. 31, 2023, was as follows.

	Dec. 31, 2022 restated	Additions	Reductions	Dec. 31, 2023	Due within one year
	<i>(in thousands)</i>				
Lease liabilities	\$ 120	\$ -	\$ (9)	\$ 111	\$ 9
Subscription liabilities	1,134	586	(329)	1,391	632
Total lease and subscription liabilities	<u>\$ 1,254</u>	<u>\$ 586</u>	<u>\$ (338)</u>	<u>\$ 1,502</u>	<u>\$ 641</u>

Lease and subscription liability activity for the year ended Dec. 31, 2022, was as follows.

	Dec. 31, 2021	Additions	Reductions	Dec. 31, 2022 restated	Due within one year
	<i>(in thousands)</i>				
Lease liabilities	\$ 134	\$ -	\$ (14)	\$ 120	\$ 9
Subscription liabilities	-	1,736	(602)	1,134	329
Total lease and subscription liabilities	<u>\$ 134</u>	<u>\$ 1,736</u>	<u>\$ (616)</u>	<u>\$ 1,254</u>	<u>\$ 338</u>

Interest expense for the years ended Dec. 31, 2023 and 2022, related to lease and subscription liabilities, was \$7,000 and \$5,000, respectively. In addition to principal and interest, Platte River recognized, as operating expenses, variable payments of \$16,000 and \$19,000 during the years ended Dec. 31, 2023 and 2022, which were not included in the initial measurement of the liabilities. No other non-support payments, such as termination penalties, were incurred.

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Calendar year totals for expected lease liability principal and interest payments are shown in the following table.

Year ending Dec. 31	Principal	Interest	Total
	<i>(in thousands)</i>		
2024	\$ 9	\$ 4	\$ 13
2025	9	4	13
2026	10	3	13
2027	10	3	13
2028	11	3	14
2029-2033	62	9	71
	<u>\$ 111</u>	<u>\$ 26</u>	<u>\$ 137</u>

Calendar year totals for expected subscription liability principal and interest payments are shown in the following table.

Year ending Dec. 31	Principal	Interest	Total
	<i>(in thousands)</i>		
2024	\$ 632	\$ 33	\$ 665
2025	585	19	604
2026	174	3	177
	<u>\$ 1,391</u>	<u>\$ 55</u>	<u>\$ 1,446</u>

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13. Net investment in capital assets

Net investment in capital assets consisted of the following as of Dec. 31, 2023 and 2022.

	2023	2022 restated
	<i>(in thousands)</i>	
Electric utility plant	\$ 557,394	\$ 574,294
Windy Gap Firing Project storage rights	110,568	111,261
Other long-term assets relating to capital assets	6,408	5,152
Deferred loss on debt refundings	2,281	3,075
Debt issuance expense recognition regulatory asset	478	558
Deferred gain on debt refundings	(112)	(126)
Lease and subscription liabilities	(1,502)	(1,254)
Accounts payable incurred for capital assets	(2,136)	(3,493)
Deferred gains and losses on capital retirements	(36,425)	(43,313)
Other long-term obligations	(95,184)	(95,184)
Long-term debt, net	(135,471)	(150,023)
Net investment in capital assets	<u>\$ 406,299</u>	<u>\$ 400,947</u>

14. Defined contribution plan

Effective Sept. 1, 2010, the board established the Platte River Power Authority defined contribution plan (in accordance with Internal Revenue Code Section 401(a)) for all regular employees hired on or after that date. As of Dec. 31, 2023, there were 215 active plan participants. The plan's assets are held in an external trust account and the investments are participant directed.

Based on years of service, Platte River contributed between 5% and 10% of earnings for plan participants. Platte River also contributed to the 401(a) an amount equal to 50% of the participant's contributions to a separate 457(b) plan, taking into account only participant contributions up to 6% of the participant's earnings. For the years ended Dec. 31, 2023 and 2022, Platte River contributions to the 401(a) plan, which were recognized as expenses, were \$2,168,000 and \$1,707,000, respectively. The employer contributions to the 401(a) plan vest 100% after three years. The plan's records are kept on the accrual basis.

15. Insurance programs

Platte River has purchased insurance policies to cover the risk of loss related to various general liability, property loss exposures and cyber events. Insurance settlements have not exceeded insurance coverage in the past three years. Platte River also provides a self-insured medical and dental plan to its employees. Platte River carries medical stop-loss insurance to cover

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losses above \$175,000 per person per incident. A liability was recorded for estimated medical and dental claims that were incurred but not reported. Platte River uses a third-party administrator to account for health insurance claims and estimates medical claims liability based on prior claims payment experience. Medical claims liability is included as a component of accounts payable in the statements of net position.

Changes in the balance of the medical claims liability during 2023, 2022 and 2021 were as follows.

	2023	2022	2021
	<i>(in thousands)</i>		
Medical claims liability, beginning of year	\$ 1,000	\$ 493	\$ 552
Current year claims and changes in estimates	5,747	5,058	3,577
Claim payments	(5,809)	(4,551)	(3,636)
Medical claims liability, end of year	\$ 938	\$ 1,000	\$ 493

16. Related-party transactions

Platte River pays certain expenses of the defined benefit pension plan and performs certain administrative functions at no cost to the defined benefit pension plan.

17. Commitments

Platte River has two long-term purchase power contracts with WAPA. The contract with the Colorado River Storage Project continues through Sept. 30, 2057. The Loveland Area Projects contract continues through Sept. 30, 2054. The contract rates and the amount of energy available are subject to change. During 2023, Platte River paid \$16,183,000 for power delivered under these contracts.

Platte River and two of the other four participants in the Yampa Project own Trapper Mine, the primary source of coal for the Yampa Project. The contract provides for delivery of specified amounts of coal to each Yampa owner through 2025. This contract is subject to price adjustments. During 2023, Platte River's coal purchases totaled \$20,862,000 under this contract.

The Rawhide Energy Station's coal purchase and transportation agreements are under multiple-year contracts. Base prices for these contracts are subject to future price adjustments. During 2023, Platte River paid \$23,305,000 for coal delivered under these agreements.

Platte River has committed to purchase Renewable Energy Certificates (RECs) annually through 2024, with future payment of \$538,000. During 2023, Platte River paid \$550,000 under these REC agreements.

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Platte River has agreements to purchase renewable wind energy output of 12 megawatts from Silver Sage Windpower Project through 2029, 60 megawatts from Spring Canyon Wind Energy Center Phases II and III through 2039, approximately 6 megawatts from Medicine Bow Wind Project through 2033 and 225 megawatts from Roundhouse Wind Energy Center through 2042. During 2023, Platte River paid \$23,439,000 under these renewable wind energy agreements. Platte River has a long-term agreement with a third party to sell all the output purchased from the Silver Sage Windpower Project through 2029. During 2023, Platte River received \$627,000 under this agreement. In addition, to accommodate additional wind energy available from the Roundhouse Wind Energy Center power purchase agreement and reduce ancillary services expense, the energy and renewable attributes from the Spring Canyon Wind Energy Center Phases II and III sites were sold under a 10-year sales contract beginning in 2020. At the end of the sales contract, the energy will return to Platte River. During 2023, Platte River received \$3,496,000 under this agreement.

Platte River has agreements to purchase renewable solar energy output of 30 megawatts through 2041 from the Rawhide Flats Solar photovoltaic power plant (located at the Rawhide Energy Station) and 22 megawatts through 2041 from the Rawhide Prairie Solar photovoltaic power plant (also located at the Rawhide Energy Station). A two megawatt-hour battery energy storage project is fully integrated with Rawhide Prairie Solar. During 2023, Platte River paid \$4,890,000 under these renewable solar energy agreements.

Platte River has entered into a long-term agreement with a third party to sell 25 megawatts of generation from Craig units 1 and 2 through June 30, 2024. During 2023, Platte River received \$4,152,000 under this agreement.

Platte River has entered into a long-term agreement with a third party to sell 65 megawatts of capacity from combustion turbine units A-D through Apr. 30, 2025. The agreement also provides for energy, maintenance and start charges when the capacity option is called. During 2023, Platte River received \$5,251,000 under this agreement.

Platte River has entered into a long-term agreement with a third party to sell non-unit-specific capacity beginning on Jan. 1, 2024 through May 31, 2026. The capacity sold is 50 megawatts through the end of 2024, then increases to 100 megawatts through the duration of the agreement. The agreement also provides for terms and conditions of calls on the capacity, including minimum energy requirements and energy charges.

Platte River has entered into a long-term agreement with a third party to sell 25 megawatts of non-unit-specific capacity beginning on June 1, 2024 through Sept. 30, 2025. The agreement also provides for terms and conditions of calls on the capacity, including minimum energy requirements and energy charges.

18. Risks, uncertainties and contingencies

In the ordinary course of business, Platte River may be affected by various legal matters and is subject to legislative, administrative and regulatory requirements that govern operations and

Platte River Power Authority
Notes to financial statements
Dec. 31, 2023 and 2022

environmental compliance. Although Platte River cannot predict the outcomes of these matters, management is aware of no pending legal matters or environmental regulations for which the outcome is likely to have a material adverse effect upon Platte River's operations, financial position or changes in financial position in the near term.

Currently Platte River generates and delivers the majority of its energy from carbon resources. In December 2018, the board passed the Resource Diversification Policy. The policy includes the goal of reaching a 100% noncarbon energy mix by 2030 while maintaining Platte River's "three pillars" of providing reliable, environmentally responsible and financially sustainable electricity and services. The policy acknowledges that several conditions must be met to achieve this goal, including participation in a full energy market, more mature and lower-cost battery storage performance, transmission and distribution infrastructure investments, improved grid management systems and more. Platte River is proactively working to diversify its resource mix to achieve the policy's goal.

Additionally, potential changes in environmental regulations could affect the cost of generation for coal and gas facilities or could require significant capital expenditures and therefore materially affect the rates Platte River charges its customers. In 2019, the Colorado General Assembly adopted a "Climate Action Plan" (H.B. 19-1261) that established statewide goals for a 26% reduction in greenhouse gas emissions from 2005 levels by 2025, a 50% reduction by 2030 and a 90% reduction by 2050. In addition, S.B. 19-236 established even more stringent greenhouse gas emission reduction targets for electric utilities, including an 80% reduction from 2005 levels by 2030 and a 100% reduction by 2050. During 2020, the state released a draft roadmap outlining potential policies to meet outlined targets. In 2022, Platte River submitted a voluntary clean energy plan under H.B. 19-1261 and S.B. 19-236 showing Platte River's path to reduce its carbon emissions 80% by 2030 (compared to 2005 levels).

Investments of the defined benefit pension plan are subject to various risks, such as interest rate, credit, foreign currency, illiquidity, quality of fund managers and overall market volatility risk. Due to the level of risk associated with certain investments, it is reasonably possible that changes in the value of investments could occur in the near term and that these changes could materially affect the amounts reported in the statements of fiduciary net position.

Platte River makes defined benefit pension plan contributions and reports net pension liability based on assumptions about interest rates, inflation rates and employee demographics, all of which could change. Due to uncertainties inherent in the estimation and assumption process, it is at least reasonably possible that changes in these estimates and assumptions in the near term would be material to the financial statements.

The defined benefit pension plan is exposed to potential losses from torts. Platte River carries fiduciary liability insurance coverage for these types of claims. There have been no significant decreases in insurance coverage.

Platte River Power Authority
Notes to financial statements
Dec. 31, 2023 and 2022

Platte River's defined benefit pension plan portfolio includes allocations to various asset classes with volatile prices. Due to market conditions, the lump sum distribution option from the defined benefit pension plan was suspended in 2022.

Economic uncertainties continue to exist that may negatively affect Platte River's financial position, results of operations and cash flows. The duration and future financial impact of supply chain constraints, labor and materials shortages, price volatility in fuel and electric markets, inflation, national and international political tensions and other risks and uncertainties cannot be reasonably estimated.

19. Change in accounting principle

In 2023, Platte River recognized the effect of a change in accounting principle for implementation of GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, to reflect the initial recording for subscription arrangement accounting of amortizable subscription assets included in electric utility plant (note 4), subscription liabilities (note 12) and related amortization expense. This resulted in a restatement of the following Dec. 31, 2022, financial statement line items.

Year ended Dec. 31, 2022	Previously reported	Restated	Increase (decrease)
<i>(in thousands)</i>			
Statement of net position			
Electric utility plant, at original cost			
Plant and equipment in service	\$ 1,463,609	\$ 1,466,932	\$ 3,323
Accumulated depreciation and amortization	(936,475)	(936,957)	(482)
Construction work in progress	26,117	24,873	(1,244)
Current assets			
Prepayments and other assets	2,868	2,506	(362)
Noncurrent liabilities			
Lease and subscription liabilities ⁽¹⁾	111	916	805
Current liabilities			
Current portion of lease and subscription liabilities ⁽²⁾	9	338	329
Accounts payable	24,378	24,359	(19)
Deferred inflows of resources			
Regulatory credits	75,810	75,947	137
Net position			
Net investment in capital assets	400,485	400,947	462
Unrestricted	238,583	238,103	(480)

⁽¹⁾ Previously reported as a component of other liabilities and credits but has also been reclassified to conform with current year presentation.

⁽²⁾ Previously reported as a component of accrued liabilities and other but has also been reclassified to conform with current year presentation.

Platte River Power Authority
Notes to financial statements
Dec. 31, 2023 and 2022

Year ended Dec. 31, 2022	Previously reported	Restated	Increase (decrease)
	<i>(in thousands)</i>		
Statement of revenues, expenses and changes in net position			
Operating revenues			
Deferred regulatory revenues	\$ (21,602)	\$ (21,739)	\$ (137)
Operating expenses			
Operations and maintenance	67,482	67,079	(403)
Administrative and general	26,015	25,956	(59)
Distributed energy resources	8,484	8,339	(145)
Depreciation, amortization and accretion	36,129	36,612	483
Nonoperating revenues (expenses)			
Interest expense	(4,163)	(4,168)	(5)
Change in net position	6,654	6,636	(18)
Net position at end of year	657,941	657,923	(18)
Statement of cash flows			
Cash flows from operating activities			
Payments for operating goods and services ⁽¹⁾	\$ (167,724)	\$ (166,773)	\$ 951
Cash flows from capital and related financing activities			
Additions to electric utility plant	(18,747)	(19,091)	(344)
Payments on lease and subscription liabilities	(14)	(621)	(607)
Noncash capital and related financing activities			
Additions of electric utility plant through leasing and subscription	-	1,736	1,736

⁽¹⁾ Previously reported adjusted for reclassification to payments related to other long-term obligations to conform with current year presentation not related to this change in accounting principle.

Platte River Power Authority
Defined benefit pension plan
 Required supplementary information

Schedule of changes in net pension liability and related ratios

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
	<i>(in thousands)</i>									
Total pension liability										
Service cost	\$ 1,100	\$ 1,055	\$ 1,216	\$ 1,364	\$ 1,575	\$ 1,535	\$ 1,616	\$ 1,728	\$ 1,839	\$ 1,885
Interest	9,939	9,459	9,306	9,179	9,022	8,740	8,421	8,176	7,665	7,343
Changes of benefit terms	-	-	(160)	-	-	-	-	-	2,397	-
Differences between expected and actual experience	2,918	4,254	3,017	970	704	2,088	1,175	(620)	931	(180)
Changes of assumptions	-	-	(1,353)	-	-	-	-	-	3,661	(574)
Benefit payments	(8,369)	(8,450)	(11,199)	(8,144)	(9,859)	(7,416)	(6,361)	(5,418)	(4,632)	(4,287)
Net change in total pension liability	5,588	6,318	827	3,369	1,442	4,947	4,851	3,866	11,861	4,187
Total pension liability—beginning	135,605	129,287	128,460	125,091	123,649	118,702	113,851	109,985	98,124	93,937
Total pension liability—ending (a)	\$ 141,193	\$ 135,605	\$ 129,287	\$ 128,460	\$ 125,091	\$ 123,649	\$ 118,702	\$ 113,851	\$ 109,985	\$ 98,124
Plan fiduciary net position										
Contributions – employer	\$ 6,041	\$ 4,333	\$ 4,569	\$ 7,593	\$ 3,649	\$ 4,578	\$ 6,220	\$ 2,912	\$ 3,302	\$ 3,905
Net investment income	10,162	(12,315)	15,291	6,995	13,044	(3,179)	11,289	7,476	(624)	4,658
Benefit payments	(8,369)	(8,450)	(11,199)	(8,144)	(9,859)	(7,416)	(6,361)	(5,418)	(4,632)	(4,287)
Net change in Plan fiduciary net position	7,834	(16,432)	8,661	6,444	6,834	(6,017)	11,148	4,970	(1,954)	4,276
Plan fiduciary net position—beginning	105,085	121,517	112,856	106,412	99,578	105,595	94,447	89,477	91,431	87,155
Plan fiduciary net position—ending (b)	\$ 112,919	\$ 105,085	\$ 121,517	\$ 112,856	\$ 106,412	\$ 99,578	\$ 105,595	\$ 94,447	\$ 89,477	\$ 91,431
Net pension liability—ending (a) – (b)	\$ 28,274	\$ 30,520	\$ 7,770	\$ 15,604	\$ 18,679	\$ 24,071	\$ 13,107	\$ 19,404	\$ 20,508	\$ 6,693
Plan fiduciary net position as a percentage of the total pension liability	79.98%	77.49%	93.99%	87.85%	85.07%	80.53%	88.96%	82.96%	81.35%	93.18%
Estimated covered payroll	\$ 12,664	\$ 12,154	\$ 12,502	\$ 13,490	\$ 14,909	\$ 15,290	\$ 16,215	\$ 16,874	\$ 17,305	\$ 17,951
Net pension liability as a percentage of estimated covered payroll	223.25%	251.10%	62.15%	115.67%	125.29%	157.43%	80.83%	114.99%	118.51%	37.28%

Platte River Power Authority
Defined benefit pension plan
 Required supplementary information
 Schedule of employer contributions

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
	<i>(in thousands)</i>									
Actuarially determined contribution	\$ 6,041	\$ 4,333	\$ 4,569	\$ 7,593	\$ 3,649	\$ 4,578	\$ 6,220	\$ 2,912	\$ 3,302	\$ 3,905
Contribution in relation to the actuarially determined contribution	6,041	4,333	4,569	7,593	3,649	4,578	6,220	2,912	3,302	3,905
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Estimated covered payroll	\$12,664	\$12,154	\$12,502	\$13,490	\$14,909	\$15,290	\$16,215	\$16,874	\$17,305	\$17,951
Contributions as a percentage of covered payroll	47.70%	35.65%	36.55%	56.29%	24.48%	29.94%	38.36%	17.26%	19.08%	21.75%

Notes to schedule*Valuation Date:*

Actuarially determined contribution rates are calculated as of January 1, two years prior to the end of the calendar year in which contributions are reported.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Frozen initial liability, entry age normal
Amortization method	5-year, level dollar, open period
Asset valuation method	4-year smoothed market
Salary increases	3.2%, 10 year average
Increases in retiree benefits – in payment	If benefits commenced prior to 1/1/92, 2.25% for 2015-2023 and 3% for 2014. If benefits commenced after 12/31/1991, 1.5% for 2015–2023 and 2% for 2014.
Investment rate of return	7.5% for 2016 - 2023; 8% for 2014 – 2015

Platte River Power Authority
Defined benefit pension plan
 Required supplementary information
 Schedule of investment returns

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Annual money-weighted rate of return, net of investment expense	9.8%	(10.3%)	14.0%	6.6%	13.5%	(3.1%)	12.0%	8.5%	(0.7%)	5.4%

Platte River Power Authority
Supplementary information
Budgetary comparison schedule

	Year ended Dec. 31, 2023		
	Budget ⁽¹⁾	Actual	Variance
	<i>(in thousands)</i>		
Revenues			
Operating revenues			
Sales to owner communities	\$ 224,082	\$ 217,735	\$ (6,347)
Sales for resale and other	74,638	71,011	(3,627)
Total operating revenues	298,720	288,746	(9,974)
Other revenues			
Interest income ⁽²⁾	5,978	7,789	1,811
Other income	301	318	17
Total other revenues	6,279	8,107	1,828
Total revenues	\$ 304,999	\$ 296,853	\$ (8,146)
Expenditures			
Operating expenses ⁽³⁾			
Purchased power	\$ 55,115	\$ 61,730	\$ (6,615)
Fuel	62,676	45,142	17,534
Production	54,770	58,307	(3,537)
Transmission	20,254	19,348	906
Administrative and general	31,508	31,714	(206)
Distributed energy resources	13,789	10,131	3,658
Total operating expenses	238,112	226,372	11,740
Capital additions			
Production	14,668	11,758	2,910
Transmission	14,953	7,484	7,469
General	13,048	6,650	6,398
Asset retirement obligations	52	52	-
Total capital additions	42,721	25,944	16,777
Debt service expenditures ⁽⁴⁾			
Principal	12,888	12,888	-
Interest expense	5,239	5,239	-
Total debt service expenditures	18,127	18,127	-
Total expenditures	\$ 298,960	\$ 270,443	\$ 28,517
Contingency appropriation	51,656	-	51,656
Total expenditures and contingency	\$ 350,616	\$ 270,443	\$ 80,173
Revenues less expenditures and contingency	\$ (45,617)	\$ 26,410	\$ 72,027

(1) Reflects \$344,000 transfer of budget-appropriated funds from contingency appropriation to debt service expenditures.

(2) Interest income excludes unrealized investment holding gains and losses.

(3) Operating expenses do not include depreciation and other nonappropriated expenses.

(4) Debt service expenditures include monthly principal and interest funding for power revenue bonds and lease and subscription liabilities.



Estes Park • Fort Collins • Longmont • Loveland

Memorandum

Date: 4/17/2024

To: Board of directors

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

Subject: **Acceptance of the 2023 Annual Report**

The 2023 Annual Report will be presented during the April board meeting. The document contains the report from FORVIS, LLP, Platte River's independent auditor, along with 2023 financial statements. A PDF version of the report is included in the board packet and will be available on Platte River's website.

Staff will ask the board for a motion to accept the 2023 Annual Report during the April board meeting.

Attachment

- 2023 Annual Report





Energy leaders since 1973

Innovation has been the driver for half a century at Platte River Power Authority and remains a guiding force for our organization as we continue to provide reliable, environmentally responsible and financially sustainable energy and services. In 2023, our team celebrated 50 years of powering our owner communities.

Platte River's journey has evolved to focus on adaptability and resilience, with a workforce in 2023 numbering nearly 300 and a peak demand from the owner communities of 680 megawatts (MW). Our team has strategically and intentionally invested in generation resources over the past 50 years as new technologies become commercially viable. Planners considered everything from the type and location of the fuel source, to the sustainability of the water supply, to the use of state-of-the-art technology. Since 1973, Platte River has invested in generation resources that maintain reliability and help reduce emissions while diversifying its energy portfolio, including being the first utility in Colorado to bring wind power to the state.

Platte River's first board of directors may not have conceived of the decisions that stand before the utility's board today, but they built the foundation of a forward-looking organization demonstrating why Platte River has been an energy leader since 1973. The next chapter for Platte River includes innovations like a virtual power plant; having an energy portfolio made up primarily of noncarbon resources; use of battery storage technology; and aeroderivative turbines (modern jet engine technology) to support reliability, that can transition to using hydrogen as a fuel source. Platte River is transforming and each team member has a role in this journey.

By learning from history, embracing innovation and planning strategically, Platte River shows how an organization can drive powerful change and make a lasting, positive impact on the environment and the communities it serves.



Giving you the power

In 2023, Platte River's marketing team launched the utility's first public education campaign, "Giving you the power," to create awareness in Platte River's service area and inform the region about 50 years of providing reliable, environmentally responsible and financially sustainable energy.



Jason Frisbie and Thaine Michie, current and former general managers, respectively, celebrate the organization's 50th year in operations. Together, they have a combined 60 years of service.

Celebrating the golden anniversary

In September 2023, Platte River brought former and current employees together with the board of directors to celebrate the utility's 50th anniversary. The celebration commemorated the shared dedication and commitment to Platte River's three foundational pillars. One of Platte River's core values as a public power provider is giving back and supporting the community. That giving spirit was evident during the anniversary celebration where employees gathered food and essential items to support the Food Bank for Larimer County.

Roadmap for our future



Scan this QR code to learn more about Platte River and explore the roadmap for our energy future.

50th anniversary video



Scan this QR code to view our 50th anniversary video, featuring interviews with former and current staff.

A history of leadership

General managers



Albert Hamilton
1973-1984



James Pendergrass
1984-1986



Thaine Michie
1987-1998



Brian Moeck
1999-2012



Jackie Sargent
2012-2016



Jason Frisbie
2016-present

The four cities are fortunate that forward thinkers—some 30 years ago—had the vision to realize that something innovative had to be done to meet our future power needs.

Robert Dekker
Mayor of Estes Park 1996–2000,
former Platte River Board Chair

Board chairs



Stanley Case
1965-1978



Jerry Trotter
1978-1982



Robert Dekker
1982-1986



Dieter Wirtzfeld
1986-1986



Robert Dekker
1986-1991



Rich Shannon
1991-1993



Jeffrey Gould
1993-1996



Richard Widmer
1996-1998



Ralph Mullinix
1998-2011



Brian Janonis
2011-2011



Tom Roiniotis
2011-2018



Todd Jirsa
2018-2020



Wade Troxell
2020-2021



David Hornbacher
2021-2022



Reuben Bergsten
2022-present

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Letter from the board chair and general manager/CEO

// Platte River is leading the energy transition in Northern Colorado. //



Fifty years ago, the Town of Estes Park and the cities of Fort Collins, Longmont and Loveland came together and formed Platte River Power Authority to build their energy future. They faced numerous challenges but worked together to overcome them.

In 1975, Platte River leadership lobbied the state legislature to designate the utility as a joint action agency, which enabled us to borrow money to invest in resources. Since then, Platte River has issued \$2.6 billion in bonds, financing the development of a world-class resource portfolio and transmission system rooted in reliability, environmental responsibility and financial sustainability.

Today, the debt we incurred to build this system is a fraction of what it was, and we continue to exceed our strategic financial plan targets. We are transitioning our resource portfolio while maintaining the foundational pillars of the organization.

During our 50th year of operations, Platte River staff made significant progress toward our noncarbon goal through projects and initiatives detailed in this annual report. Among the accomplishments:

- A new strategic plan that identifies four focus areas organization-wide
- Entry into the Southwest Power Pool Western Energy Imbalance Service (SPP WEIS) market and signing a commitment agreement to join the SPP Regional Transmission Organization West (SPP RTO West) market
- A board-approved resolution for a dispatchable resource solution to maintain the reliability of our energy portfolio, paving the way for a three-pronged approach that includes battery storage, a virtual power plant in the owner communities and proven aeroderivative turbine technology

- Continuation of a multi-year wholesale rate increase to accelerate our investments in noncarbon resources ahead of retiring Rawhide Unit 1
- A new compensation approach that modernizes Platte River's pay program to retain and attract the talent we need to achieve our energy transition
- The framework for a transition plan for Rawhide staff, developed by a cross-functional team and senior leadership, which we expect to file with the state in final form in 2024

As exciting as it is to be part of this unique period for Platte River, we recognize that we are here because of the hard work and dedication of everyone who came before us. In 2023, we celebrated and honored our past while embracing the challenges ahead. In addition to commemorating the 50th anniversary, we had many other opportunities to celebrate, including the Plant of the Year recognition for our Rawhide Energy Station and LEED Gold Certification of our award-winning headquarters campus.

Looking ahead, we recognize there are questions yet to be answered, and we trust that the organization and our employees will forge a path forward and do it the right way, just as our predecessors did. Platte River is leading the energy transition in Northern Colorado; this change is already underway, and we are excited and honored to be part of it.

Reuben Bergsten
Board chair

Jason Frisbie
General manager/CEO

Platte River at a glance

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

Headquarters

Fort Collins, Colorado

2023 peak demand of owner communities

680 MW

General manager/CEO

Jason Frisbie

2023 deliveries of energy

4,506,208 MWh

Began operations

1973

2023 deliveries of energy to owner communities

3,161,533 MWh

Staff

290

Transmission system

Platte River has equipment in 27 substations, 263 miles of wholly owned and operated high-voltage lines, and 522 miles of high-voltage lines jointly owned with other utilities.

Capacity and energy

Resource capacity

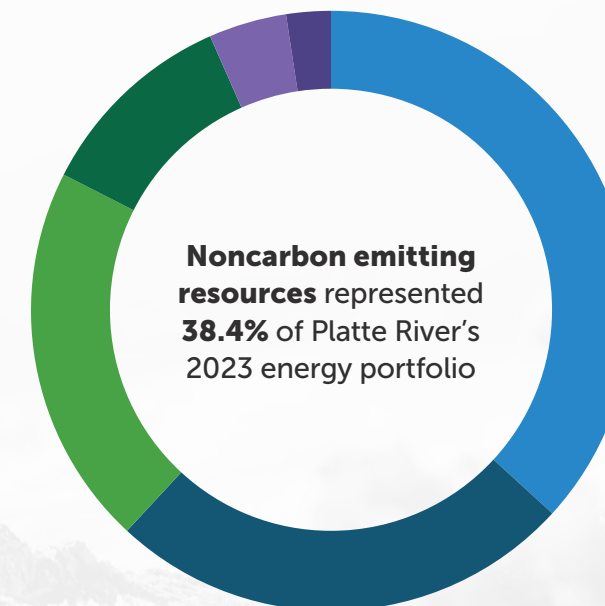
MW

Coal	431	
Natural gas	388	
Hydropower ⁽¹⁾	100	
Wind power ⁽²⁾⁽³⁾	303	67
Solar ⁽²⁾	52	22
Total	1,274	1,008

(1) Hydropower capacity varies with drought conditions.

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

(3) 72 MW of wind is currently sold to other entities, 60 MW of which will return to Platte River in 2030.



2023 system total

- Coal **36.8%**
- Wind **25.1%**
- Other purchases **20.6%**
- Hydropower **10.9%**
- Natural gas **4.2%**
- Solar **2.4%**

Includes renewable energy certificate allocations to carbon resources

Our philosophy

Platte River has long been guided by three foundational pillars that drive our mission and are among the requirements for achieving the Resource Diversification Policy (RDP). Together with our vision and values, these pillars inform all Platte River activities and serve as the foundation for our decarbonization efforts.



Reliability



Environmental responsibility



Financial sustainability

Vision

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

Mission

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

Values

Safety

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

Respect

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

Innovation

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

Sustainability

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

Integrity

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

Service

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

Operational excellence

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



Our communities

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



ESTES PARK
COLORADO

Town of Estes Park

Estimated population*: 5,862

Utility: Estes Park Power and Communications, established in 1945



City of Longmont

Estimated population*: 98,687

Utility: Longmont Power & Communications, established in 1912



City of Fort Collins

Estimated population*: 169,249

Utility: Fort Collins Utilities, established in 1938



City of Loveland

Estimated population*: 77,884

Utility: Loveland Water and Power, established in 1925



*Based on data from the U.S. Census Bureau

Board of directors

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

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



Wendy Koenig
Mayor
Town of Estes Park



Reuben Bergsten
Board chair
Director of utilities
Town of Estes Park



Jeni Arndt
Mayor
City of Fort Collins



Kendall Minor
Utilities executive
director
City of Fort Collins



Joan Peck
Mayor
City of Longmont



David Hornbacher
Assistant city
manager
City of Longmont



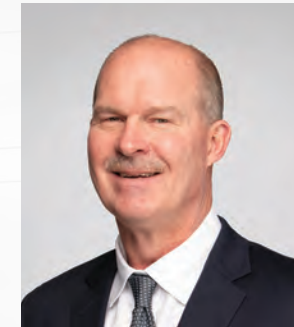
Jacki Marsh
Mayor
City of Loveland



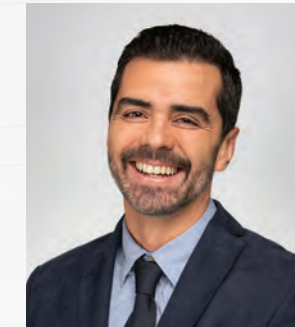
Kevin Gertig
Vice chair
Director of Loveland
Water and Power
City of Loveland

Senior leadership team

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



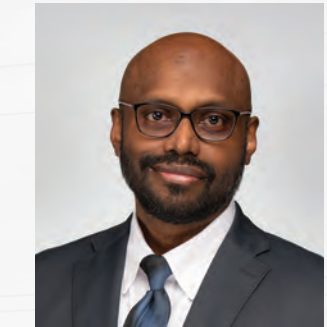
Jason Frisbie
General manager/CEO



Eddie Gutiérrez
Chief strategy officer



Sarah Leonard
General counsel



Raj Singam Setti
Chief operating
officer, innovation
and resource strategy
integration



Dave Smalley
Chief financial officer/
deputy general
manager



Melie Vincent
Chief operating
officer, generation,
transmission and
markets



Angela Walsh
Executive director
of board and
administration, board
secretary



Rawhide Energy Station under construction



Leading the energy transition

When it comes to generating reliable, environmentally responsible and financially sustainable energy, a forward-thinking approach has proven to be a critical driver of progress and innovation. By learning from the past and envisioning the future, we create a roadmap that addresses current challenges and prepares us for those ahead. Platte River has embraced this mindset from its inception. It has guided us throughout our history and is driving present decisions, paving the way for a sustainable future.

The sections that follow illustrate how Platte River is leading the energy transition, and how our efforts in 2023 will help set an example for other utilities as they decarbonize their portfolios.

Organizational leadership

2023 Strategic Plan

Platte River’s ongoing planning process supports strategic thinking and adaptive strategies for the future. The 2018 Strategic Plan created the framework for the board of directors to adopt the RDP that continues to drive Platte River’s decisions.

The update process began in early 2022 with a dedicated board work session, moderated by a strategic planning consultant, followed by multiple rounds of employee focus group sessions throughout the summer to ensure the document reflects the vision of Platte River’s leadership and efforts of Platte River team members to execute that vision.

This process culminated into a 2023 Strategic Plan that aligns activities throughout the organization with four strategic initiatives anchored to Platte River’s vision, mission, values and foundational pillars. In November, Platte River received an Excellence in Communications Award from the American Public Power Association in the print and digital category for the 2023 Strategic Plan.



Strategic initiatives:



Resource diversification planning and integration

Incorporate reliability resources, dispatchable capacity and emerging technologies, such as long-duration storage and hydrogen



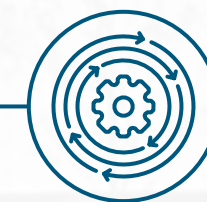
Community partner and engagement

Organize working groups across the owner communities and identify regional engagement opportunities



Workforce culture

Build a workforce roadmap that focuses on employee development and planning



Process management and coordination

Create a project management culture guided by the design of project and process management strategies for internal and external initiatives

Organizational leadership

An award-winning campus



In March, Platte River's headquarters building was awarded LEED Gold under the U.S. Green Building Council's (USGBC) Leadership in Energy and Environmental Design (LEED®) program. The building was the first in Fort Collins to achieve designation in USGBC's version four category for building design and construction, new construction.

The engineering, design and construction of the building were conceptualized using the same lens Platte River applies to our world-class generation and transmission facilities. The new design accommodates an expanding workforce and enhanced security and infrastructure needs while modeling environmental excellence in the community.

In November, the USGBC Colorado chapter presented Platte River with an Exceptional Sustainable Technology Award at its fall summit in Denver. The award recognizes projects that have "successfully implemented an exceptional and innovative technology that improves the sustainable design and/or operations of a building," specifically the zero-net carbon footprint, geo-exchange mechanical system and battery storage.



"This designation by the USGBC reflects our board of directors' vision to design and build a headquarters campus that aligns with the environmental values of our organization and our owner communities."

Jason Frisbie
General manager/CEO

1978

Platte River General Manager Al Hamilton secured permission from the Rolls Royce corporation in 1978 to emulate its logo for Platte River, branding the organization as the essence of quality in the electric utility industry.





Workforce leadership

Designing a competitive total rewards strategy

Platte River's human resources (HR) team continued to develop a total rewards strategy in 2023. The strategy is designed to lead the electric utility industry as Platte River works to achieve one of the most accelerated energy transition plans in the country. It is intended to retain, attract, hire and engage high-performing team members who understand and embrace Platte River's vision, mission and values.



Reflecting the priorities identified in a survey of Platte River staff, in fall 2023, Platte River decided to transition to a new third-party administrator for our self-insured benefits program. This change enables Platte River to improve participant experience and manage rising costs for both the organization and the employees. Updates to Platte River's benefits package took effect Jan. 1, 2024. The full package includes wellness-focused health benefits, promotes professional development, recognizes performance and offers robust retirement resources.

Progress continued on a compensation study to modernize Platte River's pay program and address several factors including pandemic-related turnover, competitive pay and defining career path options. HR and the senior leadership team finalized a new compensation approach in 2023 with implementation continuing in 2024.

Immersing new team members in Platte River's culture

To enhance Platte River's onboarding process, a cross-functional team developed an immersion program that dedicates time and resources to education about the organization's history, operations and finances. The process combines basic onboarding activities with formal and informal activities to complete throughout the first year of employment.

The immersion project emphasizes the value of maintaining Platte River's strong culture and facilitates connections between Rawhide and headquarters. Relationship-building is vital to Platte River's sense of community and pride within the workforce.



"At Platte River, employees are our best asset – the people matter and the quality of work would not be what it is without such a high caliber staff."

- Travis Hunter
Director of power generation

Rawhide transition plan

A cross-functional team developed a Just Transition Plan guided by the Workforce Resolution passed by the board in 2020. The plan incorporates six principles that Platte River is committed to following during implementation. These principles are:

- Transparency
- Workforce planning
- Workforce opportunities
- Workforce training
- Retention strategies
- Transition support

Platte River will continue to demonstrate its unwavering commitment to support and retain employees who wish to remain with the organization through Unit 1's retirement and the transition to a clean energy future. A plan will be presented in 2024 ahead of filing with the state.



Workforce leadership

Fostering a culture of safety

Platte River's safety initiatives remain a vital component of the success of our organization and overall culture. 2023 was a big year for the Emergency Response Team, from onboarding a new fire chief to leading the successful response to a coal mill piping fire at Rawhide without injury or further incident. These successes resulted in Rawhide's safety and fire protection program receiving a rare "exceptional rating" by our property and asset insurance provider.

Employees received regular updates about safety topics throughout the year from internal and external experts. In December, the safety team distributed safety challenge coins to all staff recognizing their efforts in fostering a culture of safety in 2023.



\$600,000

saved in estimated workers compensation claims costs resulting from onsite active release technique program

1.67 million

hours worked without a lost time injury

3rd place

in the APPA Safety Award of Excellence category for utilities with 250,000 to 999,999 worker-hours of annual worker exposure

1979

Platte River's Emergency Response Team was initiated in 1979 during construction of Rawhide Energy Station. The area, at the time, was a considerable distance from the closest fire department and the response time would be too lengthy during an incident to rely on local resources. Having a team of onsite first responders at the energy station has been a priority and necessity since day one.





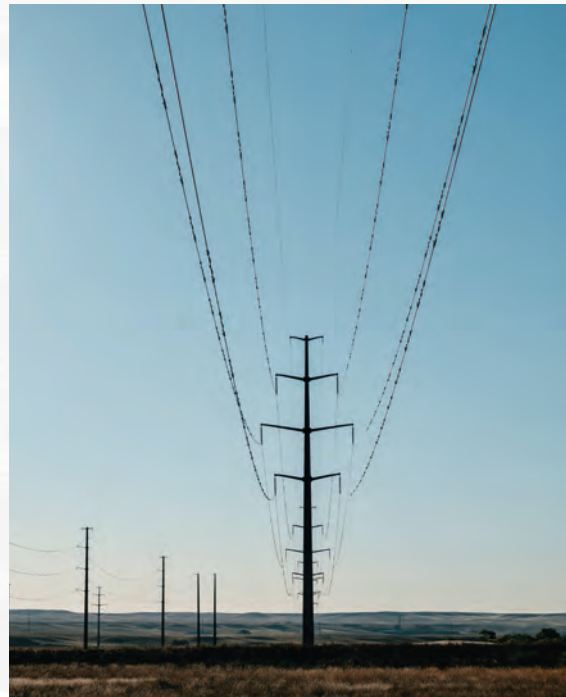
Operational leadership

Energy market participation

Departments across the organization collaborated to support Platte River's entry into the SPP WEIS market on April 1, 2023, marking an important milestone in the pursuit of a noncarbon energy future.

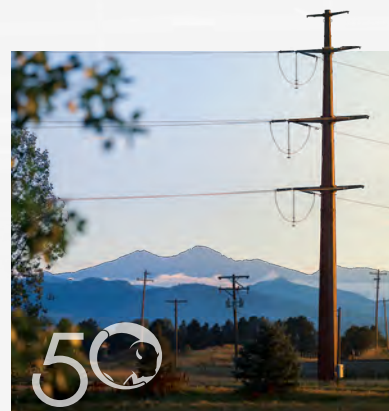
An energy imbalance market is a real-time market in which energy generation from multiple power providers is dispatched at the lowest possible cost to reliably serve the combined customer demand of the region. The SPP WEIS market has 12 participating utilities spanning eight central and western states and allows Platte River to reduce costs and balance energy generation with the real-time power needs of the region, as well as better integrate new renewable energy resources.

In 2023, Platte River joined six western electric service providers in committing to join the SPP RTO West market on April 1, 2026. SPP RTO West is a fully organized energy market and Platte River's participation represents a key advancement for the RDP.



2017

In 2017, Platte River, Xcel Energy and Black Hills Energy executed the joint dispatch agreement (a small energy imbalance market) to enhance regional reliability and allow for better integration of intermittent renewable resources. This agreement concluded in 2023 upon entry into the SPP WEIS market.



"We look forward to joining the SPP RTO West market in 2026. Participation will enhance our ability to achieve the noncarbon energy goal of Platte River and our owner communities while maintaining our commitment to system reliability and financial sustainability."

- Melie Vincent
Chief operating officer, generation, transmission and markets





Operational leadership

Transforming Rawhide Unit 1 into a more flexible resource

Commissioned in spring 1984, Rawhide Unit 1 has long been a model for efficiency, reliability and environmental performance. As Platte River continues working toward the RDP and recognizing requirements for energy market participation, the Rawhide team was challenged to operate Unit 1 differently.

Historically, Rawhide Unit 1 has run continuously with relatively stable output. Staff were challenged to shift operation of the unit to a more flexible resource that can respond to five-minute dispatch signals from the SPP WEIS market, the intermittency of renewables and to better manage the volatility of solar and wind output while maximizing value. These changes and specific modifications required several years of planning and testing.

In April 2021, staff successfully dispatched the unit at 80 MW. After two years of flexibly operating the unit between 80 MW and 280 MW, the Rawhide team saw operational success and significant fuel savings due to using the unit in a more dynamic way and were able to maintain reliability, consistent with the three foundational pillars of our organization. Staff acknowledge that the unit was not designed to operate in this manner and using it in this way, while successful, is not without costs to operations and maintenance, making it an unrealistic long-term solution to manage our existing renewable fleet.

Platte River plans continued investment in preventive maintenance on Rawhide Unit 1 to ensure the resource is reliable, safe and compliant through its remaining operating life. In May, Rawhide staff conducted a scheduled minor maintenance outage on the unit to inspect the boiler and other critical components, and to perform upkeep work on internal components not possible while the unit operates. Data from the inspections help inform the next scheduled maintenance outage planned for 2025.



2023

In February, the Coal Users' Group named Rawhide Energy Station the 2023 Plant of the Year during their annual meeting. The prestigious award recognizes world-class coal plant operations for safety, operational excellence and workforce culture.



Operational leadership

Upgrading equipment to support the foundational pillars

Combustion turbines

During a planned outage in November, Platte River upgraded the combustion system with technology enhancements to combustion turbine Unit D. Benefits include increased flexibility in unit operation, reduced emissions, and reduced operation and maintenance costs. The project helped reduce NOx emissions by approximately 30%, CO by 80% and CO2 by 19%, all while increasing operational range by over 20% and saving around \$1 million in operations and maintenance costs over a major maintenance interval.



Transmission lines and substations

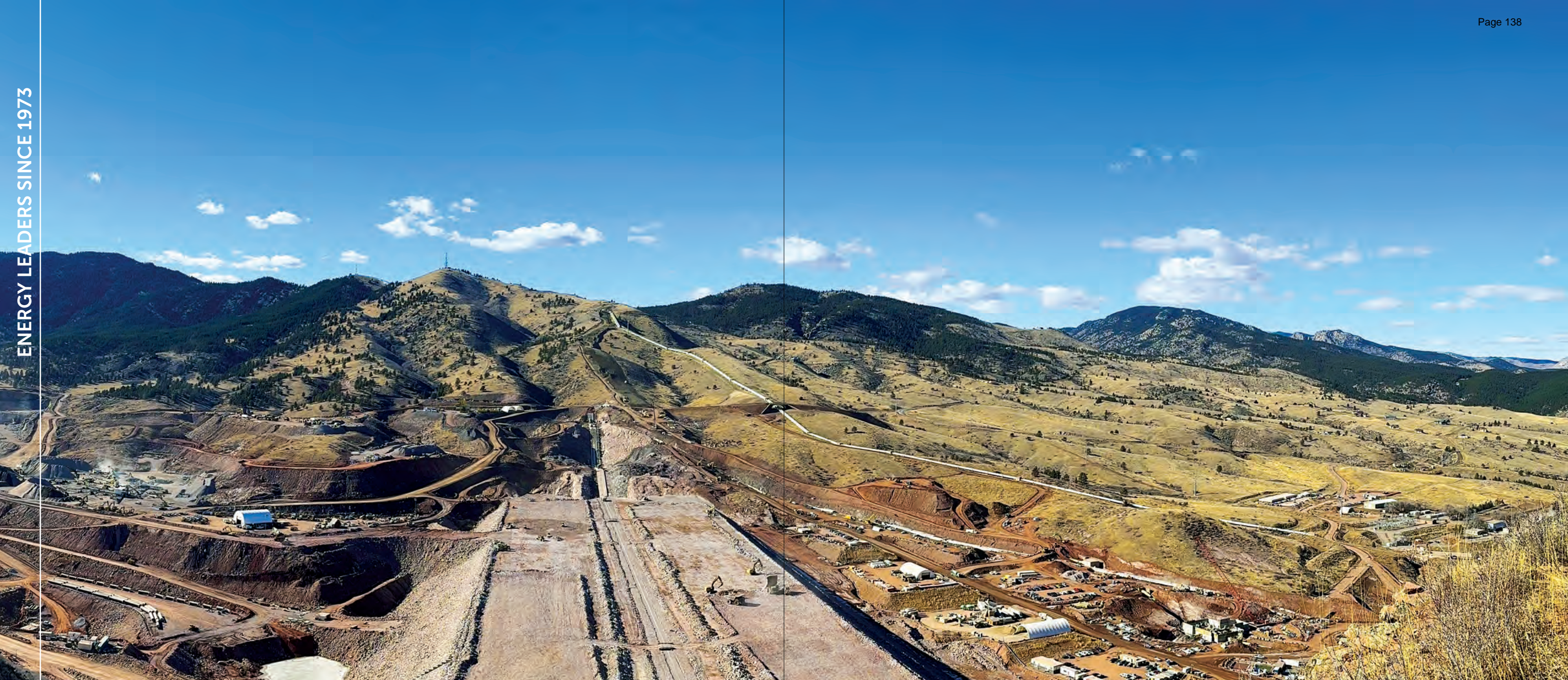
Regular maintenance and upgrade activities on Platte River's transmission lines and substations support continued reliability and safety. Improvements in 2023 included:

- Completing all scheduled transmission line maintenance on a combination of four 115-kV and 230-kV transmission lines
- Supporting WAPA's projects to rebuild the Lyons – Estes 115-kV and Flat Iron – Estes 115-kV lines
- Completing the underground cable replacement and termination repair on the Fordham – Fort St. Vrain transmission line
- Installing and testing a new transformer replacement for the City of Loveland

Monofill

In March, Rawhide staff completed the multi-year coal ash monofill upgrade below budget and ahead of schedule and began using the new cell to support Rawhide's environmentally sound long-term coal ash management system.





Operational leadership

Chimney Hollow Reservoir project progress

Chimney Hollow Reservoir, the most significant component of the Windy Gap Firming Project, reached the halfway point on construction at the end of 2023. The project supports long-term, dependable delivery of Platte River's Windy Gap water which is essential for reliable operations and helps optimize Platte River's water resource portfolio.

Northern Water's Municipal Subdistrict staff, along with key project contractors, anticipate completion of the reservoir construction in summer of 2025. It is expected to take about three years to fill the reservoir.

Once complete, Chimney Hollow Reservoir will provide all project participants with dedicated storage for Windy Gap water available during wet periods, and a reserve to draw upon during dry periods.



Energy transition leadership

Integrated resource plan

Resource planning is an ongoing and dynamic process at Platte River that helps guide the implementation of the RDP. The Western Area Power Administration (WAPA) requires an integrated resource plan (IRP) be filed every five years. However, with Platte River's accelerated decarbonization plan, we have chosen to file more frequently. The IRP details how the organization plans to meet the projected energy demand from the owner communities for the next five-to-20 years. Following passage of the RDP in 2018, Platte River accelerated the IRP filing timeline and submitted the 2020 IRP during the COVID-19 pandemic.



While work on the 2024 IRP began immediately after the 2020 IRP was filed, formal activities kicked off in 2023. In June, Platte River hosted the first of three community engagement sessions in the Energy Engagement Center at the headquarters campus. The meeting initiated a robust public outreach campaign that continued through late fall.

In parallel with the public outreach efforts, resource planning staff reviewed the challenges and assessed industry changes since the 2020 IRP was filed, incorporating the ongoing cost, labor and supply chain impacts from the pandemic. Following numerous studies from external consultants and extensive modeling and analysis, staff prepared a draft resource plan outlining the preferred mix of resources that evaluate various scenarios and consider tradeoffs between different options.

In 2024, staff will finalize the IRP and present results and a recommendation to Platte River's Board of Directors. Following board approval, Platte River will file the 2024 IRP with WAPA.

Dispatchable capacity support resolution approved

Building on the recommendations of the 2020 IRP preferred portfolio and expanding the modeling of "dark calm events" (an extended period of low or no renewable generation), Platte River staff integrated a dispatchable capacity option to support reliability that consisted of a three-pronged approach presented to the board in September 2023. The solution includes long-duration energy storage, a virtual power plant and aeroderivative turbines that are initially fueled by natural gas and can transition to green hydrogen once this fuel source is commercially available.

The board adopted the resolution supporting this dispatchable solution in October.



1998

In 1998, Platte River added wind energy from the Medicine Bow project to its energy portfolio, becoming the first utility in Colorado to offer wind energy to its owner communities.





Energy transition leadership

New resource acquisition efforts

The pandemic put many things on hold for two years, including construction of renewable projects. Since then, Platte River has worked hard to overcome delays and cost increases from supply chain issues, higher prices for labor, capital and equipment, and state and federal clean energy policies that intensified competition for renewable energy projects. Platte River has repeatedly renegotiated renewable energy contracts to keep projects on track, including the Black Hollow Solar project proposed in 2021. Construction of this project is expected to begin in spring 2024 with commercial operation expected in 2025.

Negotiations for an additional solar project continued in 2023 with plans to sign the contract in 2024. Platte River also continued evaluating proposals for the solar and storage projects requested in 2021 and issued a request for proposals (RFP) for new wind energy in September.



Distributed energy resources

Effective integration of distributed energy resources (DER) is key to achieving the RDP. Examples of DER include energy efficiency, building electrification, transportation electrification, distributed generation, distributed energy storage and demand response. DER integration can be accomplished only through intentional collaboration between Platte River and the owner communities.

In 2023, this collaborative effort led to the completion of a DER technology roadmap that identifies the systems Platte River and the owner communities will need to acquire and implement to successfully integrate DERs. These systems are intended to help customers enroll DERs in a virtual power plant that can be dispatched by Platte River and the owner communities to support a more reliable, financially sustainable noncarbon electric system.

Platte River staff also completed a DER potential study in 2023, the results from which will be included in the organization's 2024 IRP. In addition, staff furthered the procurement process for 20-25 MW of utility storage that can be located in the owner communities' systems.



300 MW

of new solar from two projects, one for which Platte River continued contract negotiations in 2023 and one that is expected to break ground in 2024

150-400 MW

of new wind energy sought in 2023 RFP

50+

responses evaluated in 2023 from all-renewable-resource RFPs



Energy transition leadership

Distributed energy solutions

ENERGY LEADERS SINCE 1973

Efficiency Works™ is a regional utility collaboration that provides guidance and resources to help customers use energy effectively. The collaboration, managed by Platte River for Estes Park, Fort Collins, Longmont and Loveland, continued its evolution in 2023 by expanding offerings beyond traditional energy efficiency programs to help customers contribute to the region's energy transition. This expansion included an increased focus on optimizing commercial building systems and shifting residential initiatives toward building electrification to help customers transition from natural gas to electricity for heating. They also expanded customer information on electric vehicles and introduced a public charger incentive for commercial customers.

Further, Efficiency Works programs and staff increased their focus on serving income-qualified customers through innovative partnerships, resulting in a 237% increase in available funds for investment in vulnerable households.

Successful programs from 2023 will serve as the foundation for customer programs in 2024, creating opportunities to help customers integrate DERs and technologies into the virtual power plant currently under development.

\$8.9 million

invested in energy services, including direct services to 5,600 customers and influencing an additional 6,500 energy-related decisions

6,800 tons

of carbon emissions avoided through Efficiency Works programs and initiatives, based on U.S. Environmental Protection Agency's emission rates for the Rocky Mountain region

2,399

local fourth-grade students participated in the Think! Energy programming through the Efficiency Works Consumer Engagement program

100+

local contractors expanded their businesses by offering Efficiency Works programming to customers in our communities

900

individuals educated on electric vehicle options along with guidance on state and federal purchase incentives



"Efficiency Works' expansion into building electrification and enhanced focus on serving income-qualified customers demonstrates our commitment to sustainability and equity. Looking ahead, we remain dedicated to guiding customers toward efficient energy usage and embracing emerging technologies like electric vehicles, ensuring a greener, more resilient energy future."

Raj Singam Setti

Chief operating officer, innovation and resource strategy integration

2014

In 2014, the owner communities and Platte River Power Authority came together to brand energy efficiency initiatives under the common name, Efficiency Works.

 **Efficiency Works™**

Estes Park | Fort Collins | Longmont | Loveland



Change management leadership

Software solutions

Individuals from across the organization came together as subject matter experts to collaborate on the design of our multi-year enterprise resource planning software project for Oracle Fusion Cloud (Oracle). The Oracle project team explored and implemented organizational change management best practices to prepare their peers for the transition to the new software. Their input and insight are shaping the plans for training, knowledge sharing and documentation in 2024.

The team's efforts in 2023 focused on evaluating processes and designing a system that will automate and create efficiencies for significant business processes, improve timeliness of data availability and enhance reporting. Vendors moved through design sessions to configure the system and enable early testing to validate those designs. This work has set the stage for testing sessions in 2024 to prepare for implementation.

Oracle is one of many significant changes as Platte River progresses through the energy transition. Staff continued process improvements with other software implementations in 2023 including a new fiber contract manager and an energy management system for the SPP WEIS market automatic dispatch system, providing seamless integration across the organization and external entities. Additionally, staff initiated a digital project management office to manage more than 100 digital projects in progress to support the clean energy transition, starting with two technology project managers who will oversee and manage the digital technology project life cycle.





Community engagement leadership

Community support



Platte River staff take pride in being community owned and continued to expand their giving and support efforts in 2023. Opportunities to give back were expanded based on employee feedback, adding a winter clothing drive benefiting Homeward Alliance and a food drive for the Food Bank for Larimer County, while continuing popular traditions like purchasing bikes and helmets for a Title I elementary second grade class through FoCo Wish for Wheels and donating gifts for the Boys and Girls Club Holiday Families program.



25

local nonprofits supported through donations, volunteer opportunities and sponsorships

\$14,000

total contribution to the four owner communities' Arbor Day events including support to purchase over 600 trees, ranging from seedlings to large trees

112

gifts donated to three families for the Boys and Girls Club Holiday Families program



2023 was another record-breaking year for Platte River's annual United Way fundraising campaign. In May, Platte River received the Campaign of the Year award for the 2022-2023 campaign, a recognition staff were eager to duplicate for the organization's 50th anniversary. In 2023, the fundraising campaign featured videos highlighting the impacts of local nonprofits, further emphasizing the need in the community. In addition to increasing Platte River's cornerstone partner donation, Platte River staff surpassed the employee fundraising goal and the prior year's donations.





Community engagement leadership

Community events

As Platte River continues to educate the public about our energy transition, the 50th milestone anchored expanded engagement efforts. In addition to attending numerous community events across our service territory, hundreds of visitors ranging from elementary school students to adults toured the Rawhide Energy Station. Visitors learned about the different energy resources at Rawhide and the importance of a diverse portfolio to protect grid reliability.

Cultivating an interest in science, technology, engineering and math (STEM) continues to be a priority for Platte River, and investments in 2023 reflect that ongoing commitment. In addition to the practical, hands-on experience middle school students receive from building and racing solar and battery cars for the annual NoCo Time Trials, two students received inaugural NoCo Time Trials scholarships to encourage their post-secondary studies in STEM.



Platte River also doubled the Roy J. Rohla Memorial Scholarship in 2023 and invited the family of the former Platte River employee for whom the scholarship is named to help present the scholarship to a Colorado State University student who is pursuing a degree in electrical engineering. Awards sponsored by Platte River for the Colorado Science and Engineering Fair also increased, and a new partnership with She's in Power, a workforce program designed to grow and inspire women to be tomorrow's clean energy leaders, began in 2023.



46

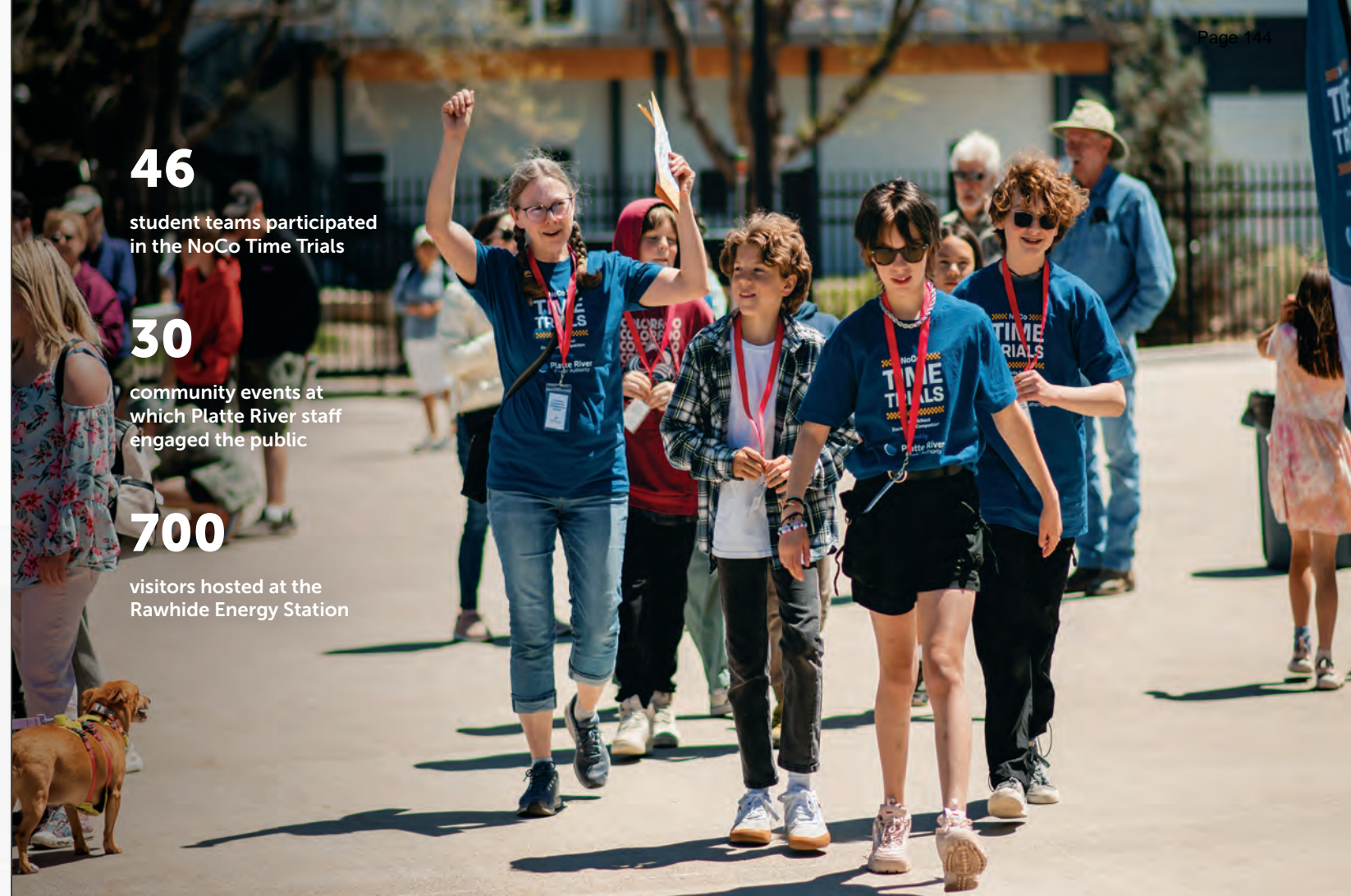
student teams participated in the NoCo Time Trials

30

community events at which Platte River staff engaged the public

700

visitors hosted at the Rawhide Energy Station



External affairs

In 2023, Platte River increased its engagement with state and regional legislative staff across agencies, municipalities, trade associations and local organizations, resulting in increased awareness of Platte River's plans and advocacy for the utility's effort in working toward its noncarbon goal. CEO Jason Frisbie continued hosting quarterly meetings with city managers to help owner community councils understand Platte River's resource transition and to discuss how the communities are part of this initiative.





Financial leadership

Wholesale rate strategy

Platte River increased the budgeted average wholesale rate 5.0% in 2023. This reflects Platte River's multi-year rate smoothing strategy to avoid greater single year rate impacts and meet specified objectives of Platte River's Strategic Financial Plan (SFP).

Long-term rate pressure is due to projected increases in net system costs as Platte River pursues the RDP goal. The financial and rates projections, presented to the board of directors in the spring of each year, can change because of ongoing assumption and plan updates.



Strategic Financial Plan

The board of directors approved updates to Platte River's SFP in December 2023. The SFP is Platte River's approach to financial management to achieve its short- and long-term goals and objectives. The SFP provides direction to preserve long-term financial sustainability and manage financial risk. The objectives of the SFP are:

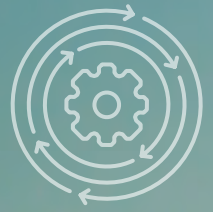
- Generate adequate earnings margins and cash flows
- Maintain sufficient liquidity for operational stability
- Maintain access to low-cost capital
- Provide wholesale rate stability

To meet these objectives, staff established financial metrics and rate stability strategies. These strategies include fiscal responsibility and rate smoothing, and help maintain financial stability and guide rate setting throughout the resource transition process.

Enterprise risk management

Efforts to expand Platte River's enterprise risk management program continued in 2023 with the hiring of an enterprise risk manager, support from a third-party consultant and engagement from Platte River employees. The consultant performed a risk assessment, which involved a dynamic and iterative process to identify and analyze risks to Platte River's ability to achieve its objectives, supporting actions to help manage and mitigate uncertainty. The risk assessment process involved interviews with Platte River employees and an online survey. The next steps in this process and overall enterprise risk management efforts will continue in 2024.





Financials

Overall financial results

Platte River's financial position continues to strengthen. Platte River exceeded all strategic financial plan metrics in 2023, allowing staff to apply the board-approved deferred revenue and expense accounting policy. Change in net position before deferring revenue was \$40.8 million, and under the board-approved accounting policy, we deferred \$31.5 million of revenues (which can be used in a future period), resulting in a change in net position after the revenue deferral of \$9.3 million. The financial results, in conjunction with the accounting policies, support long-term financial sustainability, and help reduce the amount of future debt financings and help manage rate pressure.

Our bond service coverage ratio of 2.11 times exceeded the 1.10 times required by bond covenants, providing confidence for Platte River bond holders. Platte River's strong financial position will benefit the owner communities well into the future.

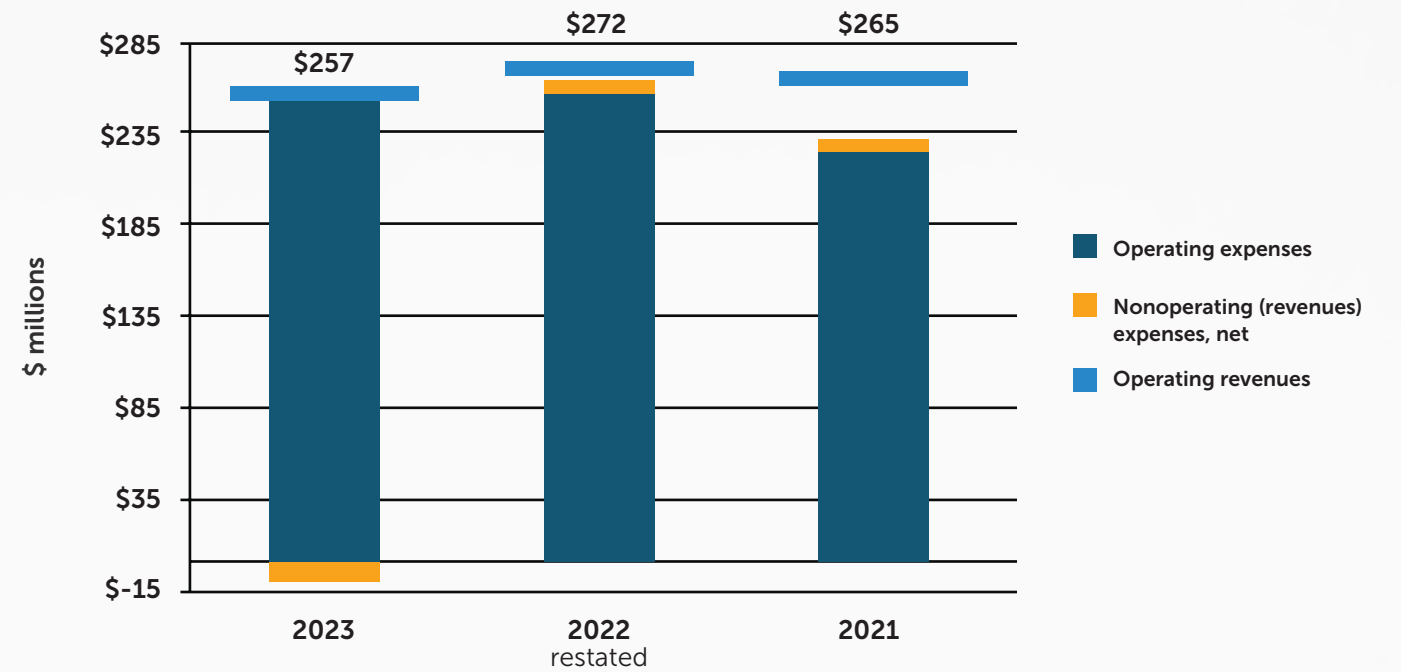
100%

of the strategic financial plan metrics met

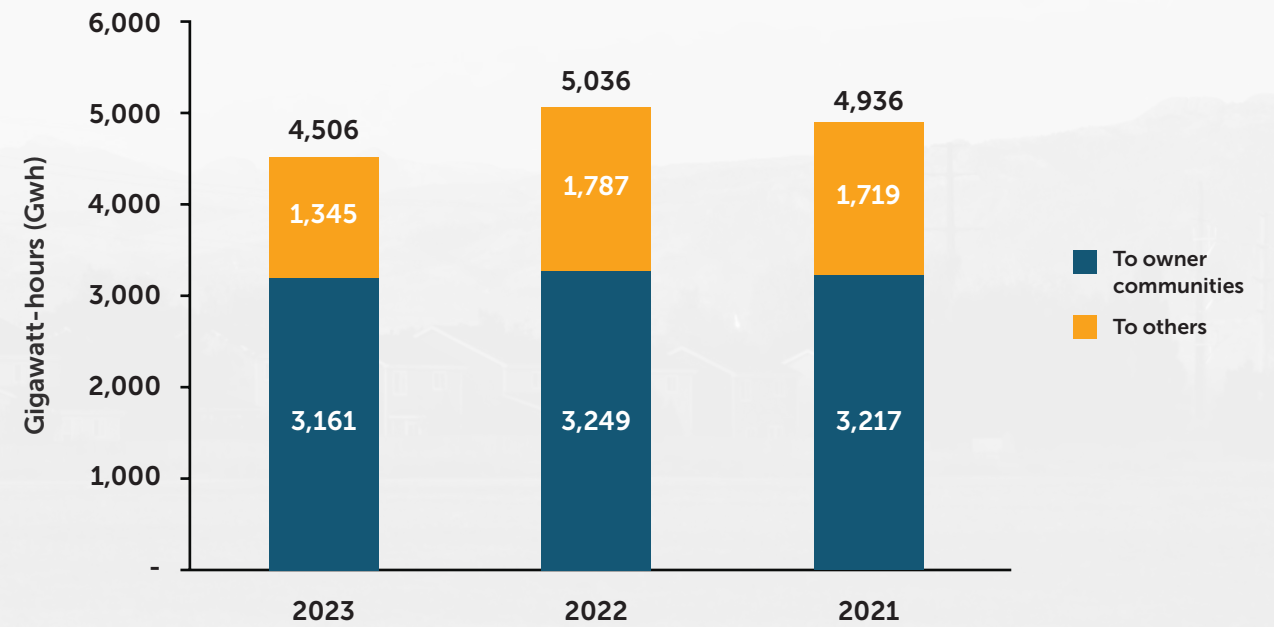
AA

credit rating

Revenues and expenses



Energy deliveries



Financial highlights

Year ended Dec. 31

	2023	2022 restated	2021
Financial results (\$000)			
Operating revenues	\$ 257,249	\$ 271,657	\$ 265,378
Operating expenses	(257,500)	(257,821)	(225,594)
Nonoperating revenues (expenses), net	9,513	(7,200)	(4,091)
Change in net position	\$ 9,262	\$ 6,636	\$ 35,693
Strategic financial plan metrics ⁽¹⁾ Target minimums			
Fixed obligation charge coverage ratio 1.5x	1.50x	2.00x	2.80x
Change in net position as a percentage of annual operating expenses 3%	4.1%	3.0%	18.7%
Adjusted debt ratio < 50%	26%	28%	30%
Days adjusted liquidity on hand 200	461	408	412
Other selected data (\$000 except bond service coverage ratio)			
Gross utility plant	\$ 1,533,387	\$ 1,511,251	\$ 1,490,675
Long-term debt and other long-term obligations	\$ 230,655	\$ 245,207	\$ 260,370
Accumulated deferred revenues	\$ 53,236	\$ 21,739	\$ -
Accumulated net position	\$ 667,185	\$ 657,923	\$ 651,287
Bond service coverage ratio 1.1x	2.11x	3.02x	4.25x

(1) 2021 and 2022 restated metrics reported accord with the Strategic Financial Plan in effect for 2022. 2023 metrics reported accord with the Strategic Financial Plan in effect for 2023.

Platte River operational data

Year ended Dec. 31

	2023	2022	2021
Peak demand (kW)			
Estes Park	27,656	30,578	28,347
Fort Collins	306,414	309,141	318,671
Longmont	189,999	193,501	197,303
Loveland	167,568	176,719	175,125
Total owner communities' peak demand	691,637	709,939	719,446
Platte River coincident demand	680,365	683,566	706,778
Energy (MWh)			
Estes Park	140,220	140,571	137,187
Fort Collins	1,460,021	1,513,093	1,504,442
Longmont	836,116	847,303	841,993
Loveland	725,176	748,434	733,085
Total owner communities' energy	3,161,533	3,249,401	3,216,707
Sales to others	1,344,675	1,787,361	1,718,668
Energy – total system	4,506,208	5,036,762	4,935,375

Energy market statistics

Year ended Dec. 31

Owner communities combined retail sales ⁽¹⁾

	2023	2022	2021
Number of customers (monthly average)			
Residential	154,333	152,471	150,751
Commercial & industrial	19,593	19,335	19,017
Other	287	289	288
Total	174,213	172,095	170,056
Energy sales (MWh)			
Residential	1,171,689	1,213,607	1,216,255
Commercial & industrial	1,927,246	1,936,924	1,913,547
Other	3,829	3,884	3,772
Total	3,102,764	3,154,415	3,133,574
Revenue (\$000)			
Residential	\$ 148,244	\$ 145,894	\$ 142,716
Commercial & industrial	189,882	181,332	171,901
Other	605	584	536
Total	\$ 338,731	\$ 327,810	\$ 315,153
Residential averages (annual)			
Energy per customer (kWh)	7,592	7,960	8,068
Revenue per kWh (cents)	12.65	12.02	11.73
Revenue per customer	\$ 961	\$ 957	\$ 947

(1) Prior to May, data for the most recent year have been compiled from preliminary reports of the cities supplied with electric energy by Platte River.

Report of leadership

Platte River's leadership is responsible for the preparation, integrity and objectivity of the financial statements and related information included in this annual report. The financial statements have been prepared in conformity with generally accepted accounting principles (GAAP) in the United States of America and, where required, reflect amounts based on the best estimates and judgments of leadership.

Platte River maintains a strong internal control structure designed to provide reasonable assurance that transactions are executed in accordance with leadership's authorization, that financial statements are prepared in conformity with GAAP and that assets are safeguarded. Platte River's internal auditor evaluates internal controls for adherence to policies and procedures on an ongoing basis, and reports findings and recommendations for possible improvements to leadership.

In addition, the independent auditors consider elements of the internal control system in determining the nature and scope of their audit procedures for the annual audit of Platte River's financial statements. The board of directors, whose members are not employees of Platte River, periodically meets with the independent auditors and leadership to discuss the audit scope, audit results and any recommendations to improve the internal control structure. The board of directors directly engages the independent auditors.

Dave Smalley
Chief financial officer/
deputy general manager

Jason Frisbie
General manager/CEO



Platte River Power Authority
 Independent Auditor's Report and Financial Statements
 Dec. 31, 2023 and 2022

Platte River Power Authority
 Financial statements
 Years ended Dec. 31, 2023 and 2022

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Independent Auditor's Report

Board of Directors
 Platte River Power Authority
 Fort Collins, Colorado

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the business-type activities and fiduciary activities of Platte River Power Authority (Platte River) as of and for the years ended December 31, 2023 and 2022, and the related notes to the financial statements, which collectively comprise Platte River's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of business-type activities and fiduciary activities of Platte River as of December 31, 2023 and 2022, and the respective changes in financial position and where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are required to be independent of Platte River and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter

As discussed in Note 3 to the financial statements, in fiscal year 2023, Platte River adopted new accounting guidance related to subscription-based information technology arrangements. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Board of Directors
 Platte River Power Authority

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Platte River's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Platte River's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Platte River's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Board of Directors
Platte River Power Authority

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and pension information be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Platte River's basic financial statements. The budgetary comparison schedule is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the budgetary comparison schedule is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the Annual Report. The other information comprises the information included in the Annual Report but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

FORVIS, LLP

Denver, Colorado
April 8, 2024

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Platte River Power Authority
Management's discussion and analysis
Dec. 31, 2023 and 2022

This discussion and analysis provides an overview of the financial performance of Platte River Power Authority for the fiscal years ended Dec. 31, 2023, and Dec. 31, 2022. The information presented should be read in conjunction with the basic financial statements, accompanying notes to the financial statements and required supplementary information.

Platte River is a Colorado political subdivision and a wholesale electricity generation and transmission provider that delivers safe, reliable, environmentally responsible and financially sustainable energy and services to its four owner communities, Estes Park, Fort Collins, Longmont and Loveland, Colorado, for delivery to their utility customers.

Platte River is proactively working toward the goal of reaching a noncarbon energy future by 2030 through the Resource Diversification Policy, while maintaining Platte River's three pillars of providing reliable, environmentally responsible and financially sustainable electricity and services. Advancements in technology and joining an energy market, amongst other requirements, must occur to achieve the 2030 goal and to successfully maintain Platte River's three pillars. Platte River continuously evaluates resource planning and opportunities to add noncarbon resources.

Platte River's power resources include generation from coal and natural gas units, wind purchases, allocations of federal hydropower from Western Area Power Administration (WAPA), solar (including storage) purchases, market purchases, bilateral purchases, owner community solar programs and a forced outage exchange agreement.

- Coal-fired generation includes Rawhide Unit 1 (280 megawatts), located 25 miles north of Fort Collins, and 18% ownership in Craig units 1 and 2 (151 megawatts combined), located in northwest Colorado. Rawhide Unit 1 is scheduled to be retired by Dec. 31, 2029. Craig units 1 and 2 are scheduled to be retired by Dec. 31, 2025 and Sept. 30, 2028, respectively.
- Natural gas-fired combustion turbines located at Rawhide Energy Station include five simple cycle combustion turbines, composed of four GE 7EAs (65 megawatts each) and a GE 7FA (128 megawatts). The combustion turbines are used to meet peak load demand, provide reserves during outages of the coal-fired units and make sales for resale.
- Wind generation includes 303 megawatts of nameplate capacity (67 megawatts of effective load carrying capability) provided under long-term power purchase agreements. The agreements are for deliveries from the following facilities.
 - Roundhouse Wind Energy Center (225 megawatts) in Wyoming; contract ends May 31, 2042.
 - Spring Canyon Wind Energy Center Phase II and III (60 megawatts) in Colorado; contracts end Oct. 31, 2039, and Dec. 10, 2039, respectively. To accommodate additional wind energy available from the Roundhouse Wind Energy Center and reduce ancillary services expense, Platte River sold the energy and renewable

Platte River Power Authority
Management's discussion and analysis
Dec. 31, 2023 and 2022

attribute from these sites under a 10-year contract that began in 2020. This energy is therefore not delivered to the owner communities for the term of the sales contract. At the end of the sales contract, the energy will return to Platte River.

- Silver Sage Windpower Project (12 megawatts) in Wyoming; contract ends Sept. 30, 2029. To accommodate additional wind energy available from the Roundhouse Wind Energy Center and to reduce transmission and ancillary services expenses, Platte River sold the energy and renewable attribute from this site under a long-term contract. This energy is therefore not delivered to the owner communities.
- Medicine Bow Wind Project (6 megawatts) in Wyoming; contract ends Dec. 30, 2033.
- Hydropower is received under two long-term contracts with WAPA – one for the Colorado River Storage Project and one for the Loveland Area Projects. The hydropower contracts are subject to periodic price changes.
 - Colorado River Storage Project contract rate of delivery amounts are 106 megawatts in the summer and 136 megawatts in the winter, which are not being met due to drought conditions. Actual capacity available varies by month. During 2023, summer season available capacity ranged from 30 megawatts to 70 megawatts. During the 2023 winter season, available capacity ranged from 42 megawatts to 60 megawatts. Available capacity and energy may further change with drought conditions, and as conditions worsen, there may be periods where no energy is delivered. The Colorado River Storage Project contract ends Sept. 30, 2057.
 - Loveland Area Projects' capacity varies from 23 megawatts to 30 megawatts in the summer season and 26 megawatts to 32 megawatts in the winter season. The Loveland Area Projects contract ends Sept. 30, 2054.
- Solar generation includes 52 megawatts of nameplate capacity (22 megawatts of effective load carrying capability) with 2 megawatt-hours of battery storage provided under long-term power purchase agreements. The agreements are for deliveries from the following facilities.
 - Rawhide Flats Solar facility (30 megawatts) located at the Rawhide Energy Station; contract ends Dec. 14, 2041.
 - Rawhide Prairie Solar facility (22 megawatts) located at the Rawhide Energy Station; contract ends March 18, 2041. This project has an integrated battery storage system of 2 megawatt-hours, which can be discharged once daily at a rate up to 1 megawatt per hour.

Platte River Power Authority
Management's discussion and analysis
Dec. 31, 2023 and 2022

- Market purchases provide energy through participation in both the joint dispatch agreement through March 2023 and the Western Energy Imbalance Service operated by the Southwest Power Pool beginning in April 2023. The joint dispatch agreement was among Public Service Company of Colorado, Black Hills Colorado Electric and Platte River and operated similarly to an energy imbalance market. The joint dispatch agreement terminated as participants began operations in the Western Energy Imbalance Service. These market activities provide access to lower-cost resources and sales for resale opportunities in real time, increasing operational efficiencies while enhancing reliability. Platte River will participate in the Western Energy Imbalance Service until joining the Southwest Power Pool Regional Transmission Organization West planned for 2026.
- Bilateral purchases involve a single counterparty and are specifically negotiated deals. These provide energy to satisfy loads, replace power during outages and meet reserve requirements.
- Platte River purchases capacity of 4.022 megawatts and 0.333 megawatts from Fort Collins and Loveland community solar facilities, respectively. For these two facilities, the owner communities retain the renewable attributes and the facilities are not part of Platte River's noncarbon resource portfolio.
- Platte River had a forced outage exchange agreement with Tri-State Generation and Transmission Association, Inc. (Tri-State). If either Rawhide Unit 1 or Tri-State's Craig Unit 3 was out of service, the other utility would provide up to 100 megawatts of generation on a short-term basis. The agreement was in effect until March 31, 2024. No extension or comparable replacement agreements have or are planned to be executed.

Platte River operates as a utility enterprise and follows the Uniform System of Accounts prescribed by the Federal Energy Regulatory Commission (FERC). Platte River has implemented all applicable Governmental Accounting Standards Board (GASB) pronouncements. The accompanying financial statements for Platte River and the defined benefit pension plan are prepared on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America. For the defined benefit pension plan, payments are recognized when due and payable in accordance with the terms of the defined benefit pension plan.

Request for information

This financial report is designed to provide a general overview of Platte River's finances, as well as the defined benefit pension plan's finances. Questions about any of the information provided in this report or requests for additional financial information should be addressed to David Smalley, chief financial officer and deputy general manager, Platte River Power Authority, 2000 East Horsetooth Road, Fort Collins, Colorado 80525.

Platte River Power Authority
Management's discussion and analysis
Dec. 31, 2023 and 2022

Financial summary

Platte River reported change in net position of \$9.3 million in 2023, approximately \$2.6 million higher than 2022. The year ended with a decrease in operating revenues of \$14.4 million, a decrease in operating expenses of \$0.3 million and an increase in nonoperating revenues, net, of \$16.7 million.

Under an accounting policy approved by the board in 2022, the general manager/CEO approved deferring \$31.5 million of current-year operating revenues as deferred regulatory revenues. The policy reduces rate pressure and achieves rate smoothing by establishing a mechanism to defer revenues earned and expenses incurred in one period to be recognized in one or more future periods. The strategy for determining revenue deferred is based on long-term financial and rate projections.

In 2023, Platte River adopted the principles of GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, and recognized the effect of a change in accounting principle for recording information technology subscriptions as capital assets and financing activities (notes 3 and 19) resulting in a restatement of total assets, total liabilities and change in net position as of and for the period ending Dec. 31, 2022.

Condensed financial statements

The following condensed statements of net position and condensed statements of revenues, expenses and changes in net position summarize Platte River's financial position and changes in financial position for 2023, 2022 and 2021.

Platte River Power Authority
Management's discussion and analysis
Dec. 31, 2023 and 2022

Condensed statements of net position

	2023	Dec. 31, 2022 restated	2021*
	<i>(in thousands)</i>		
Assets			
Electric utility plant	\$ 557,394	\$ 574,294	\$ 589,322
Special funds and investments	188,480	170,596	150,991
Current assets	185,828	155,125	138,671
Noncurrent assets	141,423	137,971	132,673
Total assets	<u>1,073,125</u>	<u>1,037,986</u>	<u>1,011,657</u>
Deferred outflows of resources	38,439	43,240	28,537
Liabilities			
Noncurrent liabilities	293,258	303,317	289,851
Current liabilities	45,361	42,774	35,178
Total liabilities	<u>338,619</u>	<u>346,091</u>	<u>325,029</u>
Deferred inflows of resources	105,760	77,212	63,878
Net position			
Net investment in capital assets	406,299	400,947	398,319
Restricted	19,561	18,873	18,864
Unrestricted	241,325	238,103	234,104
Total net position	<u>\$ 667,185</u>	<u>\$ 657,923</u>	<u>\$ 651,287</u>

*2021 not restated for implementation of GASB 96.

Net position

Total net position at Dec. 31, 2023, was \$667.2 million, an increase of \$9.3 million over 2022. Total net position at Dec. 31, 2022, was \$657.9 million, an increase of \$6.6 million over 2021.

Electric utility plant decreased \$16.9 million during 2023 primarily due to a \$39 million increase in accumulated depreciation and amortization, partially offset by a \$15.2 million increase in plant and equipment in service and a \$6.9 million increase in construction work in progress (note 4).

In 2022, electric utility plant decreased \$15 million from 2021, primarily due to a \$35.6 million increase in accumulated depreciation and amortization and \$2.9 million decrease in construction work in progress. Partially offsetting these net decreases was a \$23.5 million increase in plant and equipment in service. 2022 was restated to record amortizable subscription assets due to GASB 96 (notes 3, 4 and 19).

Special funds and investments increased \$17.9 million during 2023 primarily due to strong financial results providing excess cash flow during the year.

Platte River Power Authority
Management's discussion and analysis
Dec. 31, 2023 and 2022

In 2022, special funds and investments increased \$19.6 million over 2021 also primarily due to strong financial results.

Current assets increased \$30.7 million during 2023 primarily due to increases in cash and cash equivalents and other temporary investments due to an increase in funds from additional sales of Windy Gap water units, as well as strong financial results providing excess cashflow during the year. Fuel inventory increased due to higher coal inventory at the Craig Energy Station following increased deliveries from Trapper Mine and lower generation. Materials and supplies inventory also increased as materials for future projects were procured to mitigate supply chain risk and new parts were required to support upgraded equipment maintenance. Partially offsetting the increases was a decrease in accounts receivable – other due to lower sales for resale average prices during the month of December and timing of payments.

In 2022, current assets increased \$16.4 million over 2021 primarily due to increases in cash and cash equivalents, other temporary investments and accounts receivable due to strong financial results providing excess cashflow during the year. Prepayments also increased with the timing of certain prepaid expenses.

Noncurrent assets increased \$3.4 million during 2023 primarily due to an increase in regulatory assets caused by a difference between base contributions and pension expense calculated by the actuary and an additional funding requirement for the defined benefit pension plan. These differences are recorded in accordance with the GASB 62 board-approved pension related accounting policies (note 6). Other long-term assets also increased because of additional funding for the Windy Gap Firming Project (note 11).

In 2022, noncurrent assets increased \$5.3 million over 2021 primarily due to an increase in regulatory assets caused by a difference between base contributions and pension expense calculated by the actuary. This difference is recorded in accordance with the GASB 62 board-approved pension contribution expense recognition accounting policy (note 6). In addition, the noncurrent portion of prepayments increased because of various long-term agreements executed during the year.

Deferred outflows of resources decreased \$4.8 million during 2023 primarily due to a decrease in defined benefit pension plan deferrals based on an increase in market returns and annual amortizations related to the defined benefit pension plan and deferred loss on debt refundings. These increases were partially offset by changes in asset retirement obligations due to inflation adjustments and updated cost estimates (note 9).

In 2022, deferred outflows of resources increased \$14.7 million over 2021 primarily due to increases in pension deferrals based on a decrease in market returns and changes in plan experiences (note 8) and asset retirement obligations for the Craig Generating Station impoundments, for a new item and cost estimate updates, and Trapper Mine reclamation for additional mining activity (note 9). These increases were partially offset by decreases in unamortized deferred loss on debt refundings.

Platte River Power Authority
Management's discussion and analysis
Dec. 31, 2023 and 2022

Noncurrent liabilities decreased \$10.1 million during 2023 primarily due to principal retirements, amortization of premiums (note 7) and net pension liability from increased contributions and market returns (note 8). Partially offsetting the decreases were increases due to asset retirement obligations as noted above in deferred outflows of resources (note 9), deposits from others on sales for resale contracts, disposal facility closure costs (note 10) and liabilities for compensated absences as the maximum hours accruable for personal leave increased.

In 2022, noncurrent liabilities increased \$13.5 million over 2021 primarily due to an increase in the net pension liability from decreased market returns (note 8) and an increase in asset retirement obligations as noted above in deferred outflows of resources. Subscription liabilities were initially recognized, further increasing noncurrent liabilities, with the implementation of GASB 96 (notes 3, 12 and 19). Partially offsetting the increase were principal retirements and a decrease in unamortized premium as described (note 7). The final payment for Platte River's Series II bonds was made in June.

Current liabilities increased \$2.6 million during 2023 primarily due to increases in prepayments from others on sales for resale contracts and interconnection agreements and the timing of settlement liability payments for the Windy Gap Firming Project (note 11). Partially offsetting the increases was a decrease in the current portion of asset retirement obligations (note 9).

In 2022, current liabilities increased \$7.6 million over 2021 primarily due to increases in accounts payable as year-over-year operating expenses were higher at the end of the year, mainly based on the Craig units' coal and operations and maintenance expenses, natural gas, medical expenses, contracted services and capital additions.

Deferred inflows of resources increased \$28.5 million during 2023 primarily due to changes in regulatory credits as Platte River deferred \$31.5 million of operating revenues (note 6). There were also increases in the regulatory credits for the accrual of the 2025 Rawhide Unit 1 scheduled maintenance outage (note 6) and the regulatory credit for Craig units 1 and 2 decommissioning accrual (note 6). Partially offsetting the increases were amortization of the regulatory credit for the change in depreciation method (note 6) and amortization of defined benefit pension plan regulatory credit and deferrals (note 6).

In 2022, deferred inflows of resources increased \$13.3 million over 2021 primarily due to changes in regulatory credits as Platte River deferred \$21.7 million of operating revenues (note 6). There was also an increase in the regulatory credit for the accrual of the 2025 Rawhide Unit 1 scheduled maintenance outage (note 6). Partially offsetting the increases was amortization of the regulatory credit for the change in depreciation method (note 6). Pension deferrals decreased due to reclassifying the earnings on investments account balance against the loss on investments for 2022, which was recorded as a deferred outflow of resources (note 8).

Platte River Power Authority
Management's discussion and analysis
Dec. 31, 2023 and 2022

Condensed statements of revenues, expenses and changes in net position

	Years ended Dec. 31,		
	2022	2022 restated	2021*
	(in thousands)		
Operating revenues	\$ 257,249	\$ 271,657	\$ 265,378
Operating expenses	257,500	257,821	225,594
Operating income	(251)	13,836	39,784
Nonoperating revenues (expenses), net	9,513	(7,200)	(4,091)
Change in net position	9,262	6,636	35,693
Net position at beginning of year	657,923	651,287	615,594
Net position at end of year	<u>\$ 667,185</u>	<u>\$ 657,923</u>	<u>\$ 651,287</u>

*2021 not restated for implementation of GASB 96.

Changes in net position

Net position increased \$9.3 million in 2023, \$2.6 million higher than in 2022, after deferring \$31.5 million of current-year revenues under the board-approved deferred revenue and expense accounting policy (note 6). Before this deferral, change in net position was \$40.8 million. There were decreases in operating revenues and operating expenses and an increase in nonoperating revenues, net. Net position increased \$6.6 million in 2022, after deferring revenues of \$21.7 million, \$29.1 million lower than 2021. There were increases in operating revenues, operating expenses and nonoperating expenses, net.

Operating revenues in 2023 decreased \$14.4 million from 2022.

- Sales to the owner communities increased \$5.4 million over 2022 primarily due to a 5% average wholesale rate increase, partially offset by a decrease in owner communities' energy deliveries of 2.7% and billed demand of 1.5%.
- Sales for resale and other decreased \$10.1 million from 2022 primarily due to lower energy served under long-term contracts and lower market sales volumes, partially offset by higher average market prices and additional point-to-point service reservations.
- Deferred regulatory revenues increased \$9.7 million over 2022, which reduces operating revenues, due to overall stronger financial results relative to the strategic financial plan metrics.

Operating revenues in 2022 increased \$6.3 million over 2021.

- Sales to the owner communities increased \$13.1 million from 2021 primarily due to a 3.2% average wholesale rate increase and increases in owner communities' energy deliveries of 1% and billed demand of 0.4%. The owner communities set a new nonsummer peak of 532 megawatts on December 22 at 6 p.m.

Platte River Power Authority
Management's discussion and analysis
Dec. 31, 2023 and 2022

- Sales for resale and other increased \$14.9 million over 2021 primarily due to increased market prices, additional calls on a long-term capacity contract and higher wheeling revenues due to additional point-to-point service reservations.
- Deferred regulatory revenues were \$21.7 million compared to no deferral in 2021. The deferred revenue and expense accounting policy was approved by the board and implemented in 2022 (note 6).

Operating expenses in 2023 decreased \$0.3 million from 2022.

- Purchased power increased \$8.3 million over 2022. The increase was primarily due to favorable market conditions after Platte River joined the Southwest Power Pool's Western Energy Imbalance Service in April, as baseload units were frequently economically dispatched at lower outputs and were replaced by lower-cost market purchases.
- Fuel decreased \$21.3 million from 2022. Fuel for Rawhide Unit 1 and the Craig units decreased \$8.6 million and \$6.5 million, respectively, primarily due to operating at lower capacity factors at both sites as discussed above, partially offset with higher fuel prices. Natural gas expense also decreased by \$6.2 million primarily due to lower commodity prices, partially offset by higher generation.
- Operations and maintenance increased \$11.3 million over 2022 primarily due to increased contracted services for the Rawhide Unit 1 minor outage and combustion turbine projects and operating expenses at the Craig units due to scheduled maintenance and forced outages. Other non-routine projects and personnel costs also increased.
- Administrative and general increased \$6.4 million over 2022 primarily due to increased personnel costs from new positions and increased costs toward strategic initiatives.
- Distributed energy resources increased \$1.9 million over 2022 primarily due to increased program participation and increased personnel costs from new positions.
- Depreciation, amortization and accretion decreased \$6.9 million from 2022 primarily due to a reduction in amortization expenses due to recognition of a net additional gain from the change in depreciation method regulatory credit (note 6) created by sales of Windy Gap water units.

Operating expenses in 2022 increased \$32.3 million over 2021.

- Purchased power decreased \$1.2 million from 2021. The decrease was due primarily to a net increase in forced outage assistance energy deliveries recorded as a net credit to purchased power, a refund and rate decrease for purchased reserves, decreased joint dispatch agreement purchases, less energy received from hydropower due to drought

Platte River Power Authority
Management's discussion and analysis
Dec. 31, 2023 and 2022

conditions and a decrease in other purchases because Rawhide Unit 1 did not have a scheduled maintenance outage in 2022. Partially offsetting the decreases were increases in wind and solar energy purchases and an increase in the replacement power accrual for the 2024 Rawhide Unit 1 scheduled maintenance outage.

- Fuel increased \$18.9 million over 2021. Fuel for Rawhide Unit 1 and the Craig units increased \$9.5 million and \$5 million, respectively, due to increases in average prices and generation. The average price increased for Rawhide Unit 1 due to an increase in market prices for coal. The Craig units price increased because of an updated price for Trapper Mine coal. Generation was also higher because Rawhide Unit 1 did not have a scheduled maintenance outage as in 2021. Natural gas expense also increased by \$4.4 million due to higher commodity prices, partially offset by operating the combustion turbines at a lower capacity factor as less generation was needed to serve load.
- Operations and maintenance increased \$6.6 million over 2021. The increase was due primarily to the accrual for the next Rawhide Unit 1 scheduled maintenance outage, a full year of expenses for the Windy Gap Firming Project (Chimney Hollow Reservoir), an overall increase in operating expenses at the Craig units and other general miscellaneous increases. Partially offsetting the increase was a reduction in wheeling expenses.
- Administrative and general increased \$4.4 million over 2021 primarily due to increased personnel expenses from new positions and increased insurance expenses.
- Distributed energy resources increased \$1.4 million over 2021 primarily due to increased energy efficiency program participation.
- Depreciation, amortization and accretion increased \$2.2 million over 2021 as additional capital additions were in service, there was new accretion expense from the board-approved Craig units 1 and 2 decommissioning accrual accounting policy (note 6), cost estimates for asset retirement obligations increased and there was a full year of amortization of the Windy Gap Firming Project storage rights regulatory asset. 2022 was restated to record amortization of subscription assets due to implementation of GASB 96 (notes 3, 4 and 19). Partially offsetting the increase was a reduction in amortization expenses reflecting an increase in net gain recognized from the change in depreciation method regulatory credit (note 6).

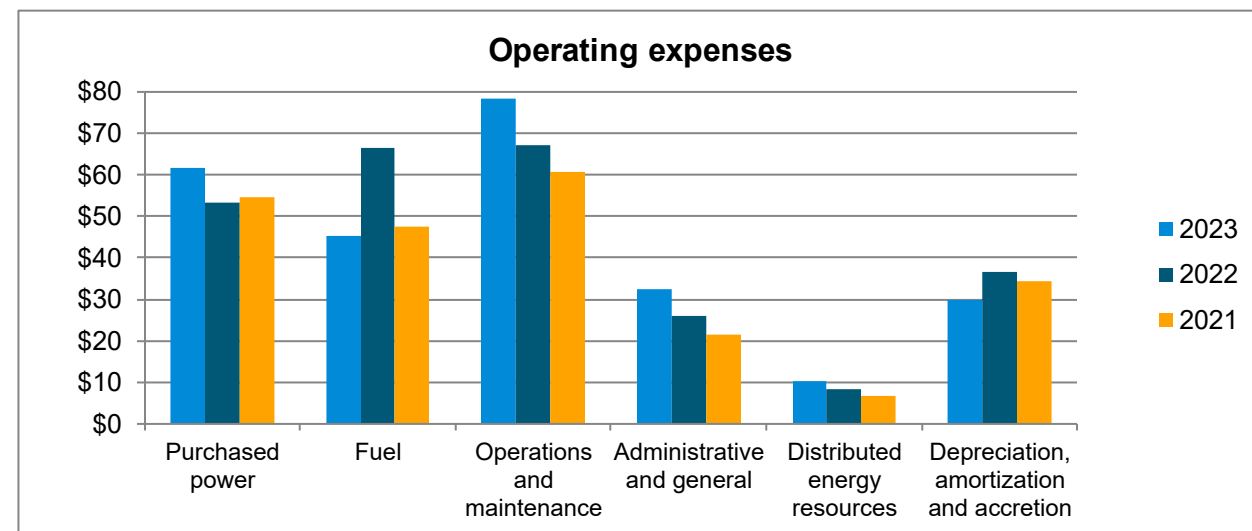
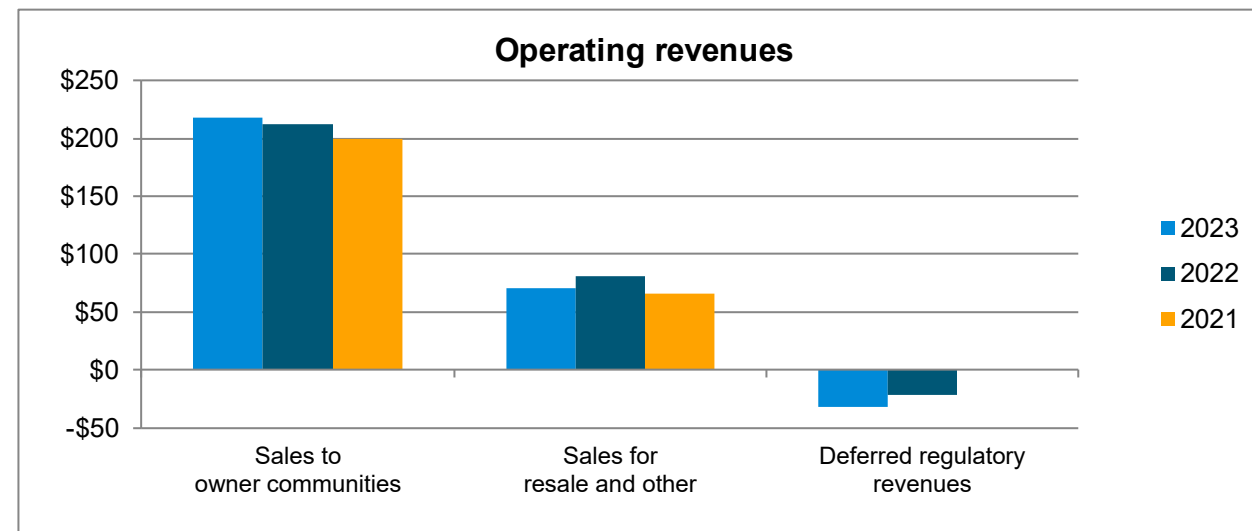
Nonoperating revenues (expenses), net, in 2023 increased \$16.7 million over 2022. The increase was primarily due to a net increase in the fair value of investments as interest rates declined and investment prices rose during the fourth quarter of 2023 and higher interest income primarily due to larger fund balances earning higher interest rates.

Nonoperating revenues (expenses), net, in 2022 decreased \$3.1 million from 2021. The decrease was primarily due to a net decrease in the fair value of investments from rising interest

Platte River Power Authority
 Management's discussion and analysis
 Dec. 31, 2023 and 2022

rates throughout the year and overall lower other income. Partially offsetting the decreases were higher interest income on investments and lower interest expense as principal was paid off.

Operating revenues and expenses
 (in millions)



Debt ratings

The ratings on Platte River's existing bonds remained unchanged.

Bond issue	Moody's	S&P	Fitch
Power revenue bonds			
Series JJ	N/A	AA	AA
Taxable Series KK	Aa2	N/A	AA

Platte River Power Authority
 Management's discussion and analysis
 Dec. 31, 2023 and 2022

Budgetary highlights

Platte River's board approved the 2023 Strategic Budget with total revenues of \$305 million, operating expenses of \$238.1 million, capital additions of \$42.7 million and debt service expenditures of \$18.1 million. After closing 2023, \$0.3 million of budget-appropriated board contingency was required for debt service expenditures. The budget comparison amounts below reflect this transfer between appropriated categories. The following budgetary highlights are presented on a non-GAAP budgetary basis. The budgetary comparison schedule is presented as supplementary information at the end of the document.

Total revenues of \$296.9 million ended the year \$8.1 million below budget.

- Sales to owner communities of \$217.8 million were \$6.3 million below budget due to below-budget energy deliveries and billing demand.
- Sales for resale and other totaled \$71 million and were below budget \$3.6 million. Energy volume sold was below budget, partially offset by above-budget average prices. Wheeling was above budget due to additional point-to-point transmission service reservations and above-budget network customer service charges.
- Interest and other income of \$8.1 million was above budget \$1.8 million primarily due to higher interest income earned on investments.

Operating expenses of \$226.4 million ended the year \$11.7 million below budget.

- Purchased power of \$61.7 million was \$6.6 million above budget primarily due to above-budget market purchases as lower-cost energy was available in the Western Energy Imbalance Service, above-budget hydropower purchases due to favorable conditions and above-budget owner communities' solar programs due to higher prices. Partially offsetting the above-budget variances were net energy provided to Tri-State under the forced outage assistance agreement and below-budget wind and solar energy purchases.
- Fuel of \$45.2 million was \$17.5 million below budget primarily due to coal expenses. Generation from Rawhide Unit 1 and the Craig units was below budget primarily due to running at historically low capacity factors due to lower-cost energy available in the Western Energy Imbalance Service market and due to unplanned extensions to outages, partially offset by above-budget prices at both stations. Partially offsetting below-budget coal expense was natural gas expense, which was above budget due to operating the combustion turbines to make sales and meet load requirements.
- Production, transmission, administrative and general of \$109.3 million were \$2.8 million above budget primarily due to operating costs at the Craig Units and additional expenses needed for the Rawhide Unit 1 scheduled minor outage. Partially offsetting the above-budget variances were other Rawhide Energy Station non-routine projects and various other consulting services completed below budget or expenses not required.

Platte River Power Authority
Management's discussion and analysis
Dec. 31, 2023 and 2022

- Distributed energy resources of \$10.2 million were \$3.6 million below budget primarily 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.

Capital additions of \$25.9 million ended the year \$16.8 million below budget. This variance was due to schedule changes, scope changes, contract or material delays, internal resource constraints and canceled projects. Production additions, transmission additions and general additions were below budget \$2.9 million, \$7.5 million and \$6.4 million, respectively. Of the total variance, \$14 million was carried over to the 2024 Strategic Budget to complete projects.

Debt service expenditures of \$18.1 million were at budget, following a \$0.3 million contingency transfer, for scheduled principal and interest payments on outstanding power revenue bonds as well as principal and interest payments on lease and subscription liabilities recognized from the implementation of GASB 96 (notes 3, 12 and 19).

Platte River Power Authority
Statements of net position
Dec. 31, 2023 and 2022

	Dec. 31,	
	2023	2022
	restated	
	<i>(in thousands)</i>	
Assets		
Electric utility plant, at original cost (notes 3 and 4)		
Land and land rights	\$ 19,446	\$ 19,446
Plant and equipment in service	1,482,084	1,466,932
Less: accumulated depreciation and amortization	(975,993)	(936,957)
Plant in service, net	525,537	549,421
Construction work in progress	31,857	24,873
Total electric utility plant	557,394	574,294
Special funds and investments (note 5)		
Restricted funds and investments	19,977	19,338
Dedicated funds and investments	168,503	151,258
Total special funds and investments	188,480	170,596
Current assets		
Cash and cash equivalents (notes 3 and 5)	70,720	48,017
Other temporary investments (note 5)	50,442	47,841
Accounts receivable—owner communities	17,306	16,997
Accounts receivable—other	7,082	13,830
Fuel inventory, at last-in, first-out cost	19,896	10,103
Materials and supplies inventory, at average cost	17,734	15,831
Prepayments and other assets	2,648	2,506
Total current assets	185,828	155,125
Noncurrent assets		
Regulatory assets (note 6)	131,578	128,954
Other long-term assets	9,845	9,017
Total noncurrent assets	141,423	137,971
Total assets	1,073,125	1,037,986
Deferred outflows of resources		
Deferred loss on debt refundings (note 7)	2,281	3,075
Pension deferrals (note 8)	9,787	14,849
Asset retirement obligations (note 9)	26,371	25,316
Total deferred outflows of resources	38,439	43,240

See notes to financial statements.

Platte River Power Authority
Statements of net position
Dec. 31, 2023 and 2022

	Dec. 31,	
	2023	2022 restated
	<i>(in thousands)</i>	
Liabilities		
Noncurrent liabilities (note 10)		
Long-term debt, net (note 7)	\$ 122,681	\$ 137,808
Other long-term obligations (note 11)	94,295	95,184
Net pension liability (note 8)	28,274	30,520
Asset retirement obligations (note 9)	34,983	31,739
Lease and subscription liabilities (note 12)	861	916
Other liabilities and credits	12,164	7,150
Total noncurrent liabilities	<u>293,258</u>	<u>303,317</u>
Current liabilities		
Current maturities of long-term debt (note 7)	12,790	12,215
Current portion of other long-term obligations (note 11)	889	—
Current portion of asset retirement obligations (note 9)	933	1,547
Current portion of lease and subscription liabilities (note 12)	641	338
Accounts payable	24,629	24,359
Accrued interest	416	464
Accrued liabilities and other	5,063	3,851
Total current liabilities	<u>45,361</u>	<u>42,774</u>
Total liabilities	<u>338,619</u>	<u>346,091</u>
Deferred inflows of resources		
Deferred gain on debt refundings (note 7)	112	126
Regulatory credits (note 6)	104,944	75,947
Pension deferrals (note 8)	—	287
Lease deferrals (note 4)	704	852
Total deferred inflows of resources	<u>105,760</u>	<u>77,212</u>
Net position		
Net investment in capital assets (note 13)	406,299	400,947
Restricted	19,561	18,873
Unrestricted	241,325	238,103
Total net position	<u>\$ 667,185</u>	<u>\$ 657,923</u>

See notes to financial statements.

Platte River Power Authority
Statements of revenues, expenses and changes in net position
Dec. 31, 2023 and 2022

	Years ended Dec. 31,	
	2023	2022 restated
	<i>(in thousands)</i>	
Operating revenues		
Sales to owner communities	\$ 217,735	\$ 212,319
Sales for resale and other	71,011	81,077
Deferred regulatory revenues (note 6)	(31,497)	(21,739)
Total operating revenues	<u>257,249</u>	<u>271,657</u>
Operating expenses		
Purchased power	61,730	53,379
Fuel	45,142	66,456
Operations and maintenance	78,337	67,079
Administrative and general	32,347	25,956
Distributed energy resources	10,214	8,339
Depreciation, amortization and accretion (notes 4, 6 and 9)	29,730	36,612
Total operating expenses	<u>257,500</u>	<u>257,821</u>
Operating income	(251)	13,836
Nonoperating revenues (expenses) (notes 5, 7 and 12)		
Interest income	7,735	2,914
Other income	318	429
Interest expense	(3,763)	(4,168)
Net increase (decrease) in fair value of investments	5,223	(6,375)
Total nonoperating revenues (expenses)	<u>9,513</u>	<u>(7,200)</u>
Change in net position	9,262	6,636
Net position at beginning of year	657,923	651,287
Net position at end of year	<u>\$ 667,185</u>	<u>\$ 657,923</u>

See notes to financial statements.

Platte River Power Authority
Statements of cash flows
Dec. 31, 2023 and 2022

	Years ended Dec. 31,	
	2023	2022 restated
	<i>(in thousands)</i>	
Cash flows from operating activities		
Receipts from customers	\$ 293,109	\$ 290,780
Payments for operating goods and services	(171,782)	(166,773)
Payments for employee services	(54,476)	(47,523)
Net cash provided by operating activities	<u>66,851</u>	<u>76,484</u>
Cash flows from capital and related financing activities		
Additions to electric utility plant	(23,874)	(19,091)
Payments from accounts payable incurred for electric utility plant additions	(3,493)	(1,581)
Proceeds from disposal of electric utility plant	12,418	74
Principal payments on long-term debt	(12,215)	(11,660)
Interest payments on long-term debt	(5,282)	(5,850)
Payments related to other long-term obligations	(4,145)	(3,809)
Payments on lease and subscription liabilities	(344)	(621)
Receipts from lease receivables	148	148
Net cash used in capital and related financing activities	<u>(36,787)</u>	<u>(42,390)</u>
Cash flows from investing activities		
Purchases and sales of temporary and restricted investments, net	(15,316)	(29,643)
Interest and other income, including realized gains and losses	7,955	3,159
Net cash used in investing activities	<u>(7,361)</u>	<u>(26,484)</u>
Increase in cash and cash equivalents	22,703	7,610
Balance at beginning of year in cash and cash equivalents	48,017	40,407
Balance at end of year in cash and cash equivalents	<u>\$ 70,720</u>	<u>\$ 48,017</u>

See notes to financial statements.

Platte River Power Authority
Statements of cash flows
Dec. 31, 2023 and 2022

	Years ended Dec. 31,	
	2023	2022 restated
	<i>(in thousands)</i>	
Reconciliation of operating income to net cash provided by operating activities		
Operating income	\$ (251)	\$ 13,836
Adjustments to reconcile operating income to net cash provided by operating activities		
Depreciation	40,719	39,223
Amortization	(15,835)	(6,143)
Operating expenses relating to other long-term obligations (note 11)	2,888	2,888
Changes in assets and liabilities that provided/(used) cash		
Accounts receivable	6,439	(4,125)
Fuel and materials and supplies inventories	(11,696)	(73)
Prepayments and other assets	139	(3,642)
Regulatory assets	(3,397)	(3,247)
Deferred outflows of resources	4,007	(15,602)
Accounts payable	1,585	5,356
Net pension liability	(2,246)	22,750
Asset retirement obligations	2,630	4,031
Other liabilities	6,272	849
Deferred inflows of resources	35,597	20,383
Net cash provided by operating activities	<u>\$ 66,851</u>	<u>\$ 76,484</u>
Noncash capital and related financing activities		
Additions of electric utility plant through incurrence of accounts payable	\$ 2,136	\$ 3,493
Additions of electric utility plant through leasing and subscription	586	1,736
Amortization of regulatory assets (debt issuance costs)	80	88
Amortization of bond premiums, deferred loss and deferred gain on refundings	(1,557)	(1,729)

See notes to financial statements.

Platte River Power Authority
Defined benefit pension plan
 Statements of fiduciary net position
 Dec. 31, 2023 and 2022

	Dec. 31,	
	2023	2022
	<i>(in thousands)</i>	
Assets		
Cash equivalents	\$ 1,734	\$ 2,031
Investment income receivable	7	8
Investments		
Fixed income securities	32,174	28,482
Domestic equity securities	39,885	37,863
International equity securities	22,716	22,946
Infrastructure	2,687	2,541
Natural resources	6,548	7,395
Real estate funds	2,782	2,440
Private credit	2,714	1,252
Private equity	1,672	114
Reinsurance funds	-	13
Total investments	<u>111,178</u>	<u>103,046</u>
Total assets	<u>112,919</u>	<u>105,085</u>
Net position restricted for pension benefits	<u>\$ 112,919</u>	<u>\$ 105,085</u>

See notes to financial statements.

Platte River Power Authority
Defined benefit pension plan
 Statements of changes in fiduciary net position
 Dec. 31, 2023 and 2022

	Years ended Dec. 31,	
	2023	2022
	<i>(in thousands)</i>	
Additions		
Employer contributions	\$ 6,041	\$ 4,333
Investment income		
Net increase (decrease) in fair value of investments	6,509	(15,430)
Interest and dividends	3,653	3,115
Net investment income (loss)	<u>10,162</u>	<u>(12,315)</u>
Total additions	<u>16,203</u>	<u>(7,982)</u>
Deductions		
Benefit payments	8,369	8,450
Change in plan net position	<u>7,834</u>	<u>(16,432)</u>
Net position restricted for pension benefits		
Beginning net position	105,085	121,517
Ending net position	<u>\$ 112,919</u>	<u>\$ 105,085</u>

See notes to financial statements.

Platte River Power Authority
Notes to financial statements
Dec. 31, 2023 and 2022

1. Organization

Platte River Power Authority was organized under Colorado law as a separate governmental entity by the four owner communities of Estes Park, Fort Collins, Longmont and Loveland. Platte River contracted to supply the wholesale electric power and energy requirements of each of these owners, with limited exceptions. An owner may self-supply power and energy equivalent to the capacity of its generating facilities in service on Sept. 5, 1974, and may add new resources up to a limit of 1,000 kW or 1% of the owner community's peak load, whichever is greater. An owner community may also purchase power from its net metered customers subject to net metering limitations. Platte River's power supply contracts currently extend through Dec. 31, 2060.

Each of the four owner communities has a residual interest in Platte River's assets and liabilities upon dissolution, which is proportional to the total revenue received from each owner community since Platte River was organized, less any contributions of assets previously distributed. Based upon electric revenues billed from inception through Dec. 31, 2023, these residual interests are approximately as follows.

	Residual interest
City of Fort Collins	48%
City of Longmont	26%
City of Loveland	22%
Town of Estes Park	4%
	<hr/> 100%

Under Colorado law and the owner community contracts, the board has the exclusive authority to establish the electric rates to be charged to the owner communities. Platte River must follow specified statutory procedures, including public notice and holding a hearing to receive public comments, before adopting an annual budget.

The defined benefit pension plan is a single-employer defined benefit pension plan, which Platte River includes in the financial statements as a fiduciary component unit reported as a pension trust fund in the fiduciary funds statements. Platte River's board is the designated governing body over the defined benefit pension plan and has authority to amend the defined benefit pension plan. The retirement committee established under the defined benefit pension plan oversees the plan's investments. Platte River does not issue separate stand-alone financial statements of the defined benefit pension plan.

2. Operations

Rawhide Energy Station

The Rawhide Energy Station consists of Rawhide Unit 1, a 280 megawatt (net) coal-fired generating facility, a cooling pond, coal-handling facilities, related transmission facilities, five simple-cycle natural gas-fired combustion turbines and two solar facilities. Natural gas units A

Platte River Power Authority
Notes to financial statements
Dec. 31, 2023 and 2022

through D have summer peaking capacity of 65 megawatts each and unit F has a summer peaking capacity of 128 megawatts. Solar facilities include Rawhide Solar Flats (30 megawatts) and Rawhide Prairie Solar (22 megawatts). Rawhide Prairie Solar has an integrated battery storage system of two megawatt-hours, which can be discharged once daily at a rate up to one megawatt per hour. Platte River owns and operates all Rawhide Energy Station facilities except for the solar and battery storage facilities. Rawhide Unit 1 is scheduled to retire by Dec. 31, 2029.

Yampa project

Platte River owns 18%, or 151 megawatts, of Craig units 1 and 2 of the Yampa Project as a tenant-in-common with four other electric utilities. The current Yampa Project Participation Agreement took effect April 15, 1992. Craig units 1 and 2 are scheduled to retire by Dec. 31, 2025 and Sept. 30, 2028, respectively. The Yampa Project consists of 837 megawatts of coal-fired generation and associated transmission plant facilities located near the town of Craig in northwestern Colorado. Platte River's share of the plant investment is included in plant in service, net, in the accompanying statements of net position. Platte River's share of operating expenses of the Yampa Project is included in operating expenses in the accompanying statements of revenues, expenses and changes in net position. Separate financial statements for the Yampa Project are not available. In addition, Platte River and two of the other Yampa Project participants own Trapper Mining, Inc., which owns and operates the adjacent coal mine that supplies coal for Craig units 1 and 2.

Windy Gap water

Under an agreement with the Municipal Subdistrict of Northern Colorado Water Conservancy District, Platte River is entitled to an allocation of the available water from the Windy Gap Project, a water diversion facility completed May 1, 1985. The water is used in operations at the Rawhide Energy Station. Platte River's share of operating expenses of the Windy Gap Project is included in operating expenses in the accompanying statements of revenues, expenses and changes in net position. Additionally, Platte River is a participant in the Windy Gap Firming Project (Chimney Hollow Reservoir) following cash contributions from participants and the issuance of pooled financing for the project in 2021 (notes 6 and 11).

3. Summary of significant accounting policies

Reporting entity

For financial reporting purposes, Platte River meets the criteria of an "other stand-alone government." As a municipal utility and a separate governmental entity, Platte River is exempt from taxes on its income. Platte River is also exempt from taxes on its property located in Colorado.

The defined benefit pension plan is a single-employer defined benefit pension plan covering all employees of Platte River hired before Sept. 1, 2010 (note 8). Platte River contributes to the defined benefit pension plan based upon actuarial studies and has primary responsibility for managing the defined benefit pension plan. All retirement plan committee members are

Platte River Power Authority
Notes to financial statements
Dec. 31, 2023 and 2022

appointed by the board. Platte River also provides all accounting, reporting and administrative services to the defined benefit pension plan. Platte River has fiduciary responsibility for the defined benefit pension plan. Platte River includes the defined benefit pension plan in the accompanying basic financial statements as a fiduciary component unit of Platte River reported as a pension trust fund in the fiduciary funds statements.

Basis of accounting

Platte River accounts for its financial operations as a “proprietary fund.” The accompanying financial statements for Platte River and the defined benefit pension plan have been prepared using the accrual method of accounting in conformity with accounting principles generally accepted in the United States of America. Platte River’s accounts are maintained in accordance with the Uniform System of Accounts as prescribed by FERC.

As a board-regulated entity, Platte River is subject to the provisions of GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, Regulated Operations, paragraphs 476–500, which requires the effects of the rate-making process to be recorded in the financial statements. Accordingly, certain expenses and revenues normally reflected in the statements of revenues, expenses and changes in net position as incurred are recognized when they are included in Platte River’s wholesale rates. Platte River has recorded various regulatory assets and credits to reflect the rate-making process (note 6).

Budgetary process

The Colorado State Local Government Law requires a formal budgetary process, which Platte River uses as a management control tool. Staff must submit a proposed annual budget to the board by Oct. 15 of each year. Following a public hearing, the board considers the budget for adoption on or before Dec. 31. Because Platte River operates as an enterprise, it is not subject to the Colorado Taxpayers’ Bill of Rights.

Use of estimates

Platte River prepares its financial statements for itself and the defined benefit pension plan in conformity with accounting principles generally accepted in the United States of America as prescribed by GASB. These require management to make estimates and assumptions that affect (a) the reported amounts of assets, deferred outflows of resources, liabilities and deferred inflows of resources, (b) disclosure of contingent assets and liabilities at the date of the financial statements and (c) the reported amounts of revenues and expenses during the reporting period. Actual results may differ from those estimates.

Electric utility plant and depreciation

Electric utility plant is stated at the historical cost of construction and includes expenditures of \$5,000 or more for property, equipment or construction projects with an estimated useful life greater than two years. Construction costs include labor, materials, contracted services, and the allocation of indirect charges for engineering, supervision, transportation and administrative

Platte River Power Authority
Notes to financial statements
Dec. 31, 2023 and 2022

expenses. The cost of additions to utility plant and replacement property units is capitalized. Repairs, maintenance and minor replacement costs are charged to expense when incurred.

Platte River engages in leasing activity, both as a lessee and a lessor. In accordance with GASB Statement No. 87, *Leases*, the lease term is the period where there is a noncancellable right to use the underlying asset. For lessor contracts, lease receivables and deferred inflows of resources are recognized at present value. Lease receivables are reported in prepayments and other assets for the current portion and other long-term assets for the long-term portion within the statements of net position. For lessee contracts, lease assets and related liabilities are recognized at present value using Platte River’s estimated incremental borrowing rate unless otherwise contained in the contract terms. Lease assets are reported in electric utility plant and lease liabilities are reported in lease and subscription liabilities within the statements of net position. This recognition applies to leases with a present value of \$50,000 or more at the beginning of the lease term and a term greater than one year.

Platte River also enters into subscription-based information technology arrangements. In accordance with GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, the subscription term is the period where there is a noncancellable right to use the underlying asset, including considerations for options within contracts to extend the terms based on management’s best estimate of exercising those options at the time of commencement. Subscription assets and related liabilities are recognized at present value using Platte River’s estimated incremental borrowing rate, unless otherwise contained in the contract terms, at the commencement of the subscription term. Subscription assets also include other costs incurred during the initial implementation stage. Subscription assets are reported in electric utility plant and subscription liabilities are reported in lease and subscription liabilities within the statements of net position. This recognition applies to subscriptions with a present value of \$50,000 or more at the commencement of the subscription term and a term greater than one year.

Depreciation is recorded using the straight-line method over the estimated useful lives of the various classes of plant in service, which range from five to 50 years. Following asset closure announcements, assets are evaluated and estimated useful lives are accelerated, as applicable. For lease and subscription assets, amortization is recorded over the shorter of the lease or subscription term, or the useful life of the underlying asset.

Cash and cash equivalents

For purposes of the statements of cash flows, Platte River considers all cash on deposit with financial institutions and highly liquid investments with an original maturity of less than three months, excluding special funds and investments, as cash and cash equivalents. At Dec. 31, 2023, cash equivalents consisted of local government investment pools and money market funds. At Dec. 31, 2022, cash equivalents consisted of local government investment pools, money market funds and collateralized bank deposit accounts.

Platte River Power Authority
Notes to financial statements
Dec. 31, 2023 and 2022

Closure and postclosure care costs of disposal facility

Platte River accrues a liability of estimated future closure and postclosure care costs for its Rawhide Energy Station ash disposal facility. The liability is determined by multiplying the estimated closure and postclosure care costs in current dollars by the percentage of the disposal facility's total estimated capacity, by cell, used through the end of the year (note 10). Platte River complies with financial assurance annual requirements of the Colorado Department of Public Health and Environment. No assets are restricted for payment of closure and postclosure care costs.

Asset retirement obligations

An asset retirement obligation is a legally enforceable liability associated with the retirement of a tangible capital asset. Following GASB Statement No. 83, *Certain Asset Retirement Obligations*, Platte River records an asset retirement obligation liability when it has determined that a liability has been incurred based on (a) the occurrence of an external obligating event, such as laws, regulations, contracts or court judgments and (b) an internal obligating event that obligates it to perform asset retirement activities. Platte River updates the asset retirement obligations by inflation or deflation annually and when significant changes occur (note 9).

Long-term debt

Platte River defers the difference between the reacquisition price and the net carrying amount of refunded debt (deferred amount on refundings) in an advance refunding. Platte River then amortizes the difference as a component of interest expense using the bonds outstanding method over the shorter of the remaining life of the defeased debt or the life of the new debt. The deferred amounts are reported as deferred outflows or inflows of resources.

Operating revenues and expenses

Operating revenues and expenses consist of revenues and costs directly related to the generation, purchase, sale and transmission of electricity. Operating revenues are recorded at the end of each month for all electricity delivered. Operating revenues include the amount of deferred regulatory revenues recorded as a regulatory credit (note 6) to be recognized in one or more future periods. Revenues and expenses related to financing, investing and other activities are considered nonoperating.

Compensated absences

Platte River allows employees to accumulate unused vacation and sick leave. Vacation leave may be accumulated to a specified limit, which increased during 2023, whereas accumulated sick leave is unlimited. Employees are entitled to full payment for any unused vacation leave upon retirement or termination of employment; they are paid at a reduced rate for any accumulated unused sick leave. Accrued liabilities for compensated absences are valued using the vesting method.

In the financial statements, Platte River estimates a portion of the total unused vacation and sick leave as due within one year with the remainder of the liability recorded as a noncurrent liability (note 10).

Platte River Power Authority
Notes to financial statements
Dec. 31, 2023 and 2022

Deferred outflows of resources

Deferred outflows consist of unamortized deferred losses on debt refunding, defined benefit pension plan-related deferrals (note 8) and unamortized asset retirement obligations (note 9).

Deferred inflows of resources

Deferred inflows consist of unamortized deferred gains on debt refunding, regulatory credits (note 6), defined benefit pension plan-related deferrals (note 8) and lease deferrals (note 4).

Use of restricted and unrestricted resources

Platte River's use of restricted and unrestricted resources is based on the intended purposes stated in the bond resolutions.

Adoption of recent accounting pronouncement

In 2023, Platte River implemented GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. Subscription-based information technology arrangements are contracts that convey control of the right to use another entity's information technology software, alone or in combination with tangible capital assets, as specified for a period of time in an exchange or exchange-like transaction without the transfer of ownership of the asset. GASB Statement No. 96 applies to financial statements with reporting periods beginning after June 15, 2022, and affects the statements of net position, statements of revenues, expenses and changes in net position and the statements of cash flows. The 2022 statement of net position, statement of revenues, expenses and changes in net position and statement of cash flows were restated for comparative purposes. Note 19 outlines the impacts of the restatement to the financial statements.

Platte River Power Authority
Notes to financial statements
Dec. 31, 2023 and 2022

4. Electric utility plant

Electric utility plant asset activity for the year ended Dec. 31, 2023, was as follows.

	Dec. 31, 2022		Dec. 31, 2023	
	restated	Increases	Decreases	restated
	<i>(in thousands)</i>			
Nondepreciable assets				
Land and land rights	\$ 19,446	\$ -	\$ -	\$ 19,446
Construction work in progress	24,873	25,893	(18,909)	31,857
	44,319	25,893	(18,909)	51,303
Depreciable assets				
Production plant	968,867	10,991	(1,839)	978,019
Transmission plant	398,183	4,307	(1,405)	401,085
General plant	96,325	2,633	(680)	98,278
	1,463,375	17,931	(3,924)	1,477,382
Less accumulated depreciation	(936,451)	(40,719)	3,030	(974,140)
	526,924	(22,788)	(894)	503,242
Amortizable lease assets				
General plant	134	-	-	134
Less accumulated amortization	(13)	(9)	-	(22)
	121	(9)	-	112
Amortizable subscription assets				
General plant	3,423	1,145	-	4,568
Less accumulated amortization	(493)	(1,338)	-	(1,831)
	2,930	(193)	-	2,737
Total electric utility plant	\$ 574,294	\$ 2,903	\$ (19,803)	\$ 557,394

Platte River Power Authority
Notes to financial statements
Dec. 31, 2023 and 2022

Electric utility plant asset activity for the year ended Dec. 31, 2022, was as follows.

	Dec. 31, 2021	Increases	Decreases	Dec. 31, 2022 restated
	<i>(in thousands)</i>			
Nondepreciable assets				
Land and land rights	\$ 19,446	\$ -	\$ -	\$ 19,446
Construction work in progress	27,831	24,459	(27,417)	24,873
	47,277	24,459	(27,417)	44,319
Depreciable assets				
Production plant	961,290	11,849	(4,272)	968,867
Transmission plant	394,050	4,972	(839)	398,183
General plant	87,924	8,945	(544)	96,325
	1,443,264	25,766	(5,655)	1,463,375
Less accumulated depreciation	(901,353)	(39,223)	4,125	(936,451)
	541,911	(13,457)	(1,530)	526,924
Amortizable lease assets				
General plant	134	-	-	134
Less accumulated amortization	-	(13)	-	(13)
	134	(13)	-	121
Amortizable subscription assets				
General plant	-	3,423	-	3,423
Less accumulated amortization	-	(493)	-	(493)
	-	2,930	-	2,930
Total electric utility plant	\$ 589,322	\$ 13,919	\$ (28,947)	\$ 574,294

Platte River uses the specific identification method. Under the specific identification method, gains and losses are recognized immediately on the retirement of capital assets. Alternative accounting treatment under a board-approved change in depreciation method accounting policy using GASB 62 (note 6) recognizes the effects of the rate-making process allowing deferred gains and losses on retirements of capital assets to be recognized in a single year or deferred to future periods.

Leasing and subscription activity

Amortizable lease assets represent fiber optic strands from a third party; the contract terminates in 2033. Platte River made no variable payments, and there are no lease impairments as of Dec. 31, 2023 and 2022. In determining the value of the lease assets, there are no payments attributable to residual value guarantees or termination penalties. Liabilities relating to lease assets are discussed in note 12.

Amortizable subscription assets represent various software solutions from multiple third parties with contracts that terminate or are expected to terminate, or transition to ongoing cancellable short-term arrangements, between 2024 and 2026. There were no subscription impairments as

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of Dec. 31, 2023 and 2022. One subscription calls for quarterly payments of \$105,000 to the vendor before the commencement of the subscription term, which is expected to be July 2024, and those payments are recorded as construction work in progress until the commencement of the subscription term, when they will be included in the valuation of the amortizable subscription asset. Liabilities relating to subscription assets are discussed in note 12. Note 19 outlines the details of the restatement of 2022 for GASB 96.

Platte River also leases unused fiber optic strands and co-locate property, included in electric utility plant, to third parties. Lease terms range from 10 to 36 years. Lessor-related balances and activity as of and for the years ended Dec. 31, 2023, and 2022, are shown in the table below.

	2023	2022
	<i>(in thousands)</i>	
Current lease receivable	\$ 120	\$ 148
Noncurrent lease receivable	584	704
Total lease receivable	<u>\$ 704</u>	<u>\$ 852</u>
Lease deferrals	\$ 704	\$ 852
Recognized inflows of resources	\$ 106	\$ 106
Fiber lease pass-through receipts	\$ 42	\$ 42

Lease receivables are reported in prepayments and other assets for the current portion and other long-term assets for the long-term portion within the statements of net position.

Recognized inflows of resources are reported as other income on the statements of revenues, expenses and changes in net position. Platte River received \$11,000 of variable lease payments in 2023 and none in 2022.

5. Cash and investments

Platte River invests funds consistent with Colorado law and Platte River's general power bond resolution, fiscal resolution and investment policy statement. Accordingly, Platte River may invest only in obligations of the United States government and its agencies and other investments permitted under Colorado law. Platte River records its investments at their estimated fair market values. The unrealized holding gains and losses on these investments are included in net increase (decrease) in fair value of investments in the statements of revenues, expenses and changes in net position.

The fair value of investments is presented on the statements of net position as special funds and investments, cash and cash equivalents and other temporary investments. Special funds and investments are either internally dedicated by board resolution (dedicated funds and investments) or restricted by Platte River's general power bond resolution (restricted funds and

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investments). The fair value of investments, excluding accrued interest of \$1,470,000 and \$688,000 as of Dec. 31, 2023 and 2022, respectively, is shown in the following tables.

As of Dec. 31, 2023, Platte River had the following cash and investments and related maturities.

Cash and investment type	Fair value	Investment maturities (in years)		
		Less than 1	1-2	2-3
<i>(in thousands)</i>				
U.S. Treasuries	\$ 170,284	\$ 72,353	\$ 63,577	\$ 34,354
U.S. agencies				
FFCB	23,737	6,953	-	16,784
FHLB	17,919	8,954	5,928	3,037
Total securities	<u>211,940</u>	<u>88,260</u>	<u>69,505</u>	<u>54,175</u>
Cash and money market funds	5,087	5,087	-	-
Local government investment pools	91,145	91,145	-	-
Total cash and investments	<u>\$ 308,172</u>	<u>\$ 184,492</u>	<u>\$ 69,505</u>	<u>\$ 54,175</u>

Statement of net position presentation of cash, cash equivalents and investments as of Dec. 31, 2023, is as follows.

	Fair value	Accrued interest	Total
	<i>(in thousands)</i>		
Restricted funds and investments	\$ 19,824	\$ 153	\$ 19,977
Dedicated funds and investments	167,481	1,022	168,503
Cash and cash equivalents	70,717	3	70,720
Other temporary investments	50,150	292	50,442
Total cash and investments	<u>\$ 308,172</u>	<u>\$ 1,470</u>	<u>\$ 309,642</u>

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As of Dec. 31, 2022, Platte River had the following cash and investments and related maturities.

Cash and investment type	Fair value	Investment maturities (in years)		
		Less than 1	1-2	2-3
<i>(in thousands)</i>				
U.S. Treasuries	\$ 166,816	\$ 44,999	\$ 69,801	\$ 52,016
U.S. agencies				
FFCB	12,800	5,879	6,921	-
FHLB	14,664	4,934	6,843	2,887
Total securities	194,280	55,812	83,565	54,903
Certificates of deposit	3,532	3,532	-	-
Cash and money market funds	3,353	3,353	-	-
Local government investment pools	64,601	64,601	-	-
Total cash and investments	<u>\$ 265,766</u>	<u>\$ 127,298</u>	<u>\$ 83,565</u>	<u>\$ 54,903</u>

Statement of net position presentation of cash, cash equivalents and investments as of Dec. 31, 2022, is as follows.

	Fair value	Accrued interest	Total
<i>(in thousands)</i>			
Restricted funds and investments	\$ 19,271	\$ 67	\$ 19,338
Dedicated funds and investments	150,778	480	151,258
Cash and cash equivalents	48,017	-	48,017
Other temporary investments	47,700	141	47,841
Total cash and investments	<u>\$ 265,766</u>	<u>\$ 688</u>	<u>\$ 266,454</u>

Fair value is the amount received if an asset is sold or paid to transfer a liability in a transaction between market participants at the measurement date. Fair value measurements maximize the use of observable inputs and minimize the use of unobservable inputs. Platte River and the defined benefit pension plan categorize fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are prices determined using observable inputs other than Level 1 prices such as quoted prices for similar assets, quoted prices in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets; Level 3 inputs are significant unobservable inputs. Platte River, excluding the defined benefit pension plan, had the following recurring fair value measurements as of Dec. 31, 2023.

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- U.S. Treasury securities of \$170,284,000 are valued using quoted market prices (Level 1 inputs)
- U.S. agency securities of \$41,656,000 are valued using Level 2 inputs

Platte River, excluding the defined benefit pension plan, had the following recurring fair value measurements as of Dec. 31, 2022.

- U.S. Treasury securities of \$166,816,000 are valued using quoted market prices (Level 1 inputs)
- U.S. agency securities of \$27,464,000 are valued using Level 2 inputs

Platte River, excluding the defined benefit pension plan, uses two local government investment pools for investment. The two pools are the Colorado Local Government Liquid Asset Trust (COLOTRUST) and the Colorado Statewide Investment Program (CSIP). COLOTRUST is a local government investment pool with a stable net asset value. CSIP is a local government investment pool in which the underlying investments are measured at the investments' net asset value. The State of Colorado Securities Commissioner administers and enforces all Colorado statutes governing these pools. They operate similarly to a money market fund and each share equals \$1, although not guaranteed. Investment objectives and strategies focus on safety, liquidity, transparency and competitive yields through investment in a diversified portfolio of short-term marketable securities. They may invest in U.S. Treasury securities and repurchase agreements collateralized by U.S. Treasury securities, certain obligations of U.S. government agencies and highly rated commercial paper. A designated custodial bank serves as a custodian for the portfolios under a custodian agreement. The custodian acts as a safekeeping agent for the investment portfolios and provides services as the depository for direct investments and withdrawals. The custodian's internal records segregate investments owned by the investment pools. The investment pools do not have any limitations or restrictions on participant withdrawals.

As of Dec. 31, 2023 and 2022, all investments of the defined benefit pension plan had a maturity of less than one year or undefined.

Each year, Platte River measures fair value and determines the level within the fair value hierarchy in which the fair value measurements fall. The following table presents the fair value measurements of the defined benefit pension plan's assets recognized in the accompanying financial statements at Dec. 31, 2023 and 2022.

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Dec. 31, 2023	Fair value	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
<i>(in thousands)</i>				
Investments by fair value level				
Cash equivalents	\$ 1,734	\$ -	\$ 1,734	\$ -
Fixed income	32,174	32,174	-	-
Domestic equity	39,885	39,885	-	-
International equity	22,716	22,716	-	-
Infrastructure	2,687	2,687	-	-
Natural resources	6,548	6,548	-	-
Real estate funds	2,782	2,782	-	-
Private credit ⁽¹⁾	2,714	-	-	2,714
Private equity ⁽¹⁾	1,672	-	-	1,672
Total investments by fair value level	<u>\$ 112,912</u>	<u>\$ 106,792</u>	<u>\$ 1,734</u>	<u>\$ 4,386</u>

⁽¹⁾ Fair value as of Sept. 30, 2023.

Dec. 31, 2022	Fair value	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
<i>(in thousands)</i>				
Investments by fair value level				
Cash equivalents	\$ 2,031	\$ -	\$ 2,031	\$ -
Fixed income	28,482	28,482	-	-
Domestic equity	37,863	37,863	-	-
International equity	22,946	22,946	-	-
Infrastructure	2,541	2,541	-	-
Natural resources	7,395	7,395	-	-
Real estate funds	2,440	2,440	-	-
Private credit ⁽¹⁾	1,252	-	-	1,252
Private equity ⁽¹⁾	114	-	-	114
Reinsurance	13	13	-	-
Total investments by fair value level	<u>\$ 105,077</u>	<u>\$ 101,680</u>	<u>\$ 2,031</u>	<u>\$ 1,366</u>

⁽¹⁾ Fair value as of Sept. 30, 2022.

For the defined benefit pension plan, where quoted market prices are available in an active market, securities are classified within Level 1 of the valuation hierarchy. If quoted market prices are not available, then fair values are estimated using quoted prices of securities with similar characteristics or independent asset pricing services and pricing models, the inputs of which are

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market-based or independently sourced market parameters. These include, but are not limited to, yield curves, interest rates, volatilities, prepayments, defaults, cumulative loss projections and cash flows, all of which are classified in Level 2 of the valuation hierarchy. In certain cases where Level 1 or Level 2 inputs are not available, securities are classified within Level 3 of the hierarchy.

Asset allocation

All assets of the defined benefit pension plan are invested to comply with the defined benefit pension plan document (plan document), the defined benefit pension plan investment policy statement and any federal, state or Internal Revenue Service (IRS) laws or regulations. The defined benefit pension plan's investments are governed by the Colorado Uniform Prudent Investor Act. The investment policy statement provides an asset allocation strategy to create a broadly diversified portfolio. The strategy is designed to reflect and be consistent with the objectives expressed in the investment policy statement, subject to the risk tolerance of the retirement committee.

Defined benefit pension plan assets are held by Principal Trust Company under a trust agreement and invested in money market funds, bonds, stock portfolios, infrastructure, natural resources, private equity, private credit or real estate as directed by the retirement committee. Northern Trust Investments (Northern Trust), the retirement committee's investment manager, assists the retirement committee in overseeing the investment program. Investment management firms have full discretionary investment authority to invest in a specific asset class, subject to the policies and guidelines of the investment policy statement.

The investment mix and percentage allocations were as follows at Dec. 31.

Asset class	2023	2022
Domestic equities	36%	37%
International equities	15%	18%
Emerging market equities	6%	4%
Fixed income	16%	12%
High yield	12%	14%
Infrastructure	2%	2%
Natural resources	6%	7%
Real estate	2%	2%
Cash & cash equivalents	2%	3%
Private credit	2%	1%
Private equity	1%	0%

Rate of return

For the years ended Dec. 31, 2023 and 2022, the money-weighted rate of return on defined benefit pension plan investments, net of investment expense, was 9.8% and (10.3%), respectively. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

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Interest rate risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment.

To limit exposure to fair value losses from rising interest rates, Platte River's investment policy and Colorado law limit the investment portfolio, excluding the defined benefit pension plan, to maturities of five years or less. Platte River uses a laddered approach to investing funds based on projected cash flows. The assumed maturity date for callable securities is based on market conditions as of Dec. 31, 2023. If the price of the security is at or above its call price, the security is assumed to be redeemed on its next call date.

The defined benefit pension plan's fixed income assets are invested in a core fixed-income exchange-traded fund (ETF), a high-yield fixed-income ETF, an inflation-focused ETF and an ultra-short-term fixed-income ETF. The funds are managed by Northern Trust. As interest rates decline, the value of a fixed-income bond fund is likely to increase. Securities with longer durations tend to be more sensitive to changes in interest rates, usually making them more volatile than securities with shorter durations. Given the long-term nature of the defined benefit pension plan, the investment policy statement does not place maturity restrictions on its bond funds.

Credit risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations.

Platte River's investment policy allows investments in local government investment pools and money market funds. As of Dec. 31, 2023, Platte River, excluding the defined benefit pension plan, maintained investments in funds managed by the local government investment pools COLOTRUST and CSIP. COLOTRUST and CSIP Liquid Portfolios are both rated AAAM by S&P Global Ratings (S&P). CSIP Liquid Portfolio is also rated AA Af by Fitch Ratings. Platte River's investments in the Federal Farm Credit Bank (FFCB) and the Federal Home Loan Bank (FHLB) were rated Aaa by Moody's Investors Service and AA+ by S&P.

The defined benefit pension plan's core fixed income fund portfolio objective, under normal conditions, is to primarily invest up to 80% of its net assets in U.S. dollar-denominated investment-grade fixed-income securities either directly or indirectly through ETFs. The defined benefit pension plan's high yield allocation invests at least 80% of its assets in below investment-grade corporate bonds (not in default) as rated by at least one nationally recognized statistical rating organization. As of Dec. 31, 2023, the defined benefit pension plan's average credit quality for its core fixed-income and high-yield allocations were AA and B, respectively. The ultra-short fixed-income ETF has an average credit quality of A, while the inflation-focused ETF is 100% securities backed by the U.S. Treasury.

Private credit and private equity risk

The private credit and private equity investments in the defined benefit pension plan are subject to various risk factors resulting from the investment activities of the fund managers and the

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unique structures of the investments, including market, liquidity and capital risk. Private credit and private equity are diversified, multi-manager private lending investments and subject to market risk. Additionally, the funds report a market value on a quarterly basis – a less frequent measurement that can make using traditional methods to monitor and measure market risk more difficult. As a result of this reporting frequency, the fair value measurements reflected in the financial statements are as of Sept. 30, 2023 and 2022, respectively. The investments are subject to illiquidity risk. The funds' multi-manager structures are designed to help mitigate individual manager or company risk. Other risks include quality of the fund managers, interest rate risk and currency risk.

Concentration of credit risk

Concentration of credit risk is the risk of loss attributed to the magnitude of investments in a single issuer.

Platte River's investment policy, excluding the defined benefit pension plan, requires assets held in Platte River's funds be diversified to eliminate the risk of loss resulting from over concentration of assets in a specific maturity, a specific issuer or a specific class of securities. As of Dec. 31, 2023, more than 5% of Platte River's investments were concentrated in FFCB and FHLB. These investments were 8% and 6% of Platte River's total investments, respectively (including investments held in local government investment pools and certificates of deposit).

Custodial credit risk

Custodial credit risk is the risk that, if the counterparty fails, the defined benefit pension plan will not be able to recover the value of its investments or collateral securities held by that counterparty. The defined benefit pension plan's assets are held in trust and the custodial relationship is defined in the plan document. At Dec. 31, 2023 and 2022, the defined benefit pension plan did not identify any investments subject to custodial credit risk.

Foreign currency risk

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment or a deposit.

The defined benefit pension plan has exposure to foreign currency risk through its international equity, emerging markets, global natural resources, global infrastructure and global real estate allocations. These are all ETFs. For the defined benefit pension plan's international and emerging markets equity allocations, the portfolios invest primarily in foreign denominated securities and typically do not hedge currency risk. The remaining allocations invest primarily in domestic and foreign-denominated securities while also not typically hedging currency risk. As of Dec. 31, 2023, foreign non-dollar allocations for the global natural resources allocation were 63.4%, foreign non-dollar allocations for the global infrastructure allocation were 60.0% and foreign non-dollar allocations for the global real estate allocation were 31.4%. The defined benefit pension plan's investments in international and emerging markets equity strategies, as of Dec. 31, 2023 and 2022, were \$22.7 million and \$22.9 million, respectively.

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The defined benefit pension plan's exposure to foreign currency risk in U.S. dollars as of Dec. 31, 2023, is shown in the following table.

Currency	Total	International	
		stocks	Fixed income
		<i>(in thousands)</i>	
Australian dollar	\$ 1,418	\$ 1,133	\$ 285
Bermudian dollar	33	-	33
Brazilian real	444	444	-
Canadian dollar	3,955	3,055	900
Chilean peso	1	1	-
Chinese yuan renminbi	1,412	1,407	5
Colombian peso	25	-	25
Danish krone	214	213	1
European euro	5,759	4,816	943
Hong Kong dollar	1,006	1,006	-
Indian rupee	1,431	1,431	-
Indonesian rupiah	139	139	-
Israeli new shekel	613	613	-
Japanese yen	4,357	4,323	34
Korean won	557	556	1
Kuwaiti dinar	173	173	-
Malaysian ringgit	412	412	-
Mexican peso	87	77	10
Moroccan dirham	87	87	-
New Zealand dollar	56	51	5
Norwegian krone	288	288	-
Peruvian sol	1	1	-
Philippine peso	78	78	-
Pound sterling	2,928	2,617	311
Qatari riyal	253	253	-
Saudi riyal	687	687	-
Singapore dollar	940	940	-
South African rand	42	42	-
Sweedish krona	113	100	13
Swiss franc	2,156	2,138	18
Taiwan dollar	1,048	1,048	-
Tanzanian shilling	7	-	7
Thai baht	235	235	-
Turkish new lira	27	27	-
Ukrainian hryvnia	11	-	11
UAE dirham	429	429	-
Vietnamese dong	1	1	-
	<u>\$ 31,423</u>	<u>\$ 28,821</u>	<u>\$ 2,602</u>

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The defined benefit pension plan's exposure to foreign currency risk in U.S. dollars as of Dec. 31, 2022, is shown in the following table.

Currency	Total	International		
		stocks	Fixed income	Reinsurance ⁽¹⁾
		<i>(in thousands)</i>		
Australian dollar	\$ 1,498	\$ 1,375	\$ 123	\$ -
Bermudian dollar	129	-	129	-
Brazilian real	438	438	-	-
Canadian dollar	4,480	3,478	1,002	-
Caymanian dollar	39	-	39	-
Chilean peso	1	1	-	-
Chinese yuan renminbi	64	64	-	-
Colombian peso	2	-	-	2
Danish krone	547	542	5	-
European euro	5,572	4,553	1,019	-
Hong Kong dollar	2,174	2,174	-	-
Hungarian forint	22	22	-	-
Indian rupee	572	572	-	-
Indonesian rupiah	140	140	-	-
Israeli new shekel	659	659	-	-
Japanese yen	5,005	4,936	69	-
Korean won	146	144	2	-
Kuwaiti dinar	267	267	-	-
Liberian dollar	85	-	85	-
Malaysian ringgit	254	254	-	-
Mauritius rupee	13	-	13	-
Mexican peso	52	52	-	-
Moroccan dirham	56	56	-	-
New Zealand dollar	80	61	19	-
Norwegian krone	211	211	-	-
Peruvian sol	20	20	-	-
Philippine peso	34	34	-	-
Pound sterling	3,660	3,257	403	-
Qatari riyal	145	145	-	-
Saudi riyal	374	373	1	-
Singapore dollar	1,069	1,069	-	-
South African rand	100	100	-	-
Sweedish krona	142	97	45	-
Swiss franc	2,524	2,484	40	-
Taiwan dollar	634	634	-	-
Thai baht	236	236	-	-
UAE dirham	626	626	-	-
	<u>\$ 32,070</u>	<u>\$ 29,074</u>	<u>\$ 2,994</u>	<u>\$ 2</u>

(1) Foreign currency exposure through the reinsurance fund as of Oct. 31, 2022.

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6. Regulatory assets and deferred inflows of resources related to regulatory credits

For rate-making purposes, Platte River's board has approved the following policies under GASB 62, paragraphs 476-500.

Additional pension funding expense recognition

Platte River funds its defined benefit pension plan (note 8) based on cost estimates developed on an actuarial basis. In addition to the base contribution, Platte River has an additional funding charge if the market value of the assets is less than 100% of the actuarial present value of accumulated plan benefits. A board-approved policy allows Platte River to record the additional pension funding charge as a regulatory asset and recognize the expense over a 10-year period.

Pension contribution expense recognition

This board-approved policy requires pension contributions for the defined benefit pension plan to be recorded as pension expense because the pension contribution amount is known at the time of budget preparation and rate setting. Any difference between pension contribution and pension expense, as calculated by the actuary under GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, is classified as either a regulatory asset or a deferred inflow of resources and amortized over a 10-year period beginning the following year. The amortization amount is included in pension expense along with the pension contribution for each year calculated.

Debt issuance expense recognition

Under GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, debt issuance costs must be expensed in the period incurred rather than amortized over the life of the related debt. To provide recovery for debt issuance costs through rates, this board-approved policy provides for the expense recognition of debt issuance costs to be amortized over the life of the associated debt and included in regulatory assets.

Windy Gap Firing Project

This board-approved policy allows Platte River's costs for the Windy Gap Firing Project (Chimney Hollow Reservoir) (note 11) to be recorded as a regulatory asset and other long-term obligations. These costs are recognized ratably over the term of the pooled financing with the unamortized component included in regulatory assets and the outstanding balance of the pooled financing included in other long-term obligations. The value of the debt service payments under the pooled financing is expensed as an operations and maintenance expense and not accounted for as debt service.

Maintenance outage expense accrual

Under this board-approved policy, Platte River accrues estimated incremental expenses of future scheduled major maintenance outages each year. After a Rawhide Unit 1 maintenance

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outage is completed, the estimated maintenance and replacement power costs for the next major maintenance outage are accrued as a deferred inflow of resources.

Change in depreciation method

Platte River changed depreciation method from the group method to the specific identification method during 2020. Under the specific identification method, gains and losses would be recognized immediately on the retirement of capital assets. Alternative accounting treatment under this board-approved policy recognizes the effects of the rate-making process whereby deferred gains and losses on retirements of capital assets may be recognized in a single year or deferred to future periods.

Craig units 1 and 2 decommissioning accrual

The owners of the Craig Generating Station, acting through Tri-State as operating agent, have announced that Craig Unit 1 is scheduled to retire by Dec. 31, 2025, and Craig Unit 2 is scheduled to retire by Sept. 30, 2028. Decommissioning and closure costs have not been fully determined and no binding obligation exists. Under general accounting rules, without a binding obligation the expense related to decommissioning and closure would not be recognized and therefore funds would not be recovered through rates. This board-approved accounting policy records accretion of estimated decommissioning costs for Craig units 1 and 2 using the budgetary estimate provided by Tri-State. Once a binding obligation exists, Platte River will account for decommissioning costs under GASB 83.

Deferred revenue and expense

This board-approved accounting policy authorizes the general manager/CEO to defer revenues or expenses to reduce rate pressure and achieve rate smoothing as Platte River transitions its portfolio to meet the Resource Diversification Policy goal. Any amount of change in net position above the minimum required to achieve the strategic financial plan metrics can be deducted from operating revenues and held on the statement of net position as a regulatory credit, to be recorded as revenue in one or more future periods. Alternatively, any amount of change in net position below the minimum required to achieve the strategic financial plan metrics can be deducted from operating expenses and held on the statement of net position as a regulatory asset, to be recorded as expense in one or more future periods. The regulatory credit for this policy was restated with the implementation of a GASB 96 (notes 3 and 19).

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Regulatory assets and deferred inflows of resources related to regulatory credits as of Dec. 31, 2023, are shown in the tables below.

	Dec. 31, 2022 restated	Additions	Reductions	Dec. 31, 2023
Regulatory assets				
Additional pension funding expense recognition	\$ 5,445	\$ 3,000	\$ (853)	\$ 7,592
Pension contribution expense recognition	11,690	2,528	(1,278)	12,940
Debt issuance expense recognition	558	-	(80)	478
Windy Gap Firming Project	111,261	-	(693)	110,568
Total regulatory assets	<u>\$ 128,954</u>	<u>\$ 5,528</u>	<u>\$ (2,904)</u>	<u>\$ 131,578</u>
Deferred inflows of resources				
Regulatory credits				
Maintenance outage expense accrual	\$ 3,840	\$ 3,621	\$ -	\$ 7,461
Pension contribution expense recognition	5,724	-	(657)	5,067
Change in depreciation method	43,313	-	(6,888)	36,425
Craig units 1 and 2 decommissioning accrual	1,331	1,424	-	2,755
Deferred revenue and expense	21,739	31,497	-	53,236
Total regulatory credits	<u>\$ 75,947</u>	<u>\$ 36,542</u>	<u>\$ (7,545)</u>	<u>\$ 104,944</u>

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Regulatory assets and deferred inflows of resources related to regulatory credits as of Dec. 31, 2022, are shown in the tables below.

	Dec. 31, 2021	Additions	Reductions	Dec. 31, 2022 restated
	<i>(in thousands)</i>			
Regulatory assets				
Additional pension funding expense recognition	\$ 5,200	\$ 1,141	\$ (896)	\$ 5,445
Pension contribution expense recognition	8,688	4,280	(1,278)	11,690
Debt issuance expense recognition	646	-	(88)	558
Windy Gap Firming Project	111,954	-	(693)	111,261
Total regulatory assets	<u>\$ 126,488</u>	<u>\$ 5,421</u>	<u>\$ (2,955)</u>	<u>\$ 128,954</u>
Deferred inflows of resources				
Regulatory credits				
Maintenance outage expense accrual	\$ 324	\$ 3,516	\$ -	\$ 3,840
Pension contribution expense recognition	6,191	-	(467)	5,724
Change in depreciation method	50,200	-	(6,887)	43,313
Craig units 1 and 2 decommissioning accrual	-	1,331	-	1,331
Deferred revenue and expense	-	21,739	-	21,739
Total regulatory credits	<u>\$ 56,715</u>	<u>\$ 26,586</u>	<u>\$ (7,354)</u>	<u>\$ 75,947</u>

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7. Long-term debt

Long-term debt outstanding as of Dec. 31, 2023 and 2022, consisted of the following.

	Interest rate	Dec. 31	
		2023	2022
		<i>(in thousands)</i>	
Power revenue bonds (all serial bonds)			
Series JJ maturing 6/1/2036	3.5%–5%	\$ 102,320	\$ 113,490
Taxable Series KK maturing 6/1/2037	1%-1.9%	23,550	24,595
		<u>125,870</u>	<u>138,085</u>
Unamortized bond premium ⁽¹⁾		9,601	11,938
Total revenue bonds outstanding		135,471	150,023
Less: due within one year		(12,790)	(12,215)
Total long-term debt, net		<u>\$ 122,681</u>	<u>\$ 137,808</u>

⁽¹⁾ Fixed rate bond premium costs are amortized over the terms of the related bond issues.

The outstanding balance of Series JJ is callable June 1, 2026. Taxable Series KK is subject to prior redemption, in whole or in part as selected by Platte River, on any date.

Interest expense for the years ended Dec. 31, 2023 and 2022, related to long-term debt outstanding is as follows. The remainder of interest expense, as shown on the statements of revenues, expenses and changes in net position, relates to lease and subscription liabilities as discussed in note 12.

	2023	2022
	<i>(in thousands)</i>	
Interest	\$ 5,233	\$ 5,803
Amortization of bond related costs	(1,477)	(1,640)
Total interest expense	<u>\$ 3,756</u>	<u>\$ 4,163</u>

Calendar year totals for monthly bond service funding requirements per bond resolution for all bonds outstanding are shown in the following table. These may differ from actual semi-annual debt service requirements.

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Year ending Dec. 31	Principal	Interest	Total
	<i>(in thousands)</i>		
Deposits in 2023 for 2024 payment	\$ 7,461	\$ 416	\$ 7,877
2024	13,146	4,642	17,788
2025	13,730	4,023	17,753
2026	14,312	3,449	17,761
2027	14,898	2,826	17,724
2028	15,443	2,246	17,689
2029-2033	28,547	6,079	34,626
2034-2037	18,333	1,180	19,513
	<u>\$ 125,870</u>	<u>\$ 24,861</u>	<u>\$ 150,731</u>

Bond service coverage

Power revenue bonds are secured by a pledge of the revenues of Platte River after deducting operating expenses, as defined in the general power bond resolution. The power revenue bonds issued by Platte River may be subject to early call provisions. Principal and interest payments are met from net revenues earned from wholesale electric rates charged to the owner communities and others, and from interest earnings.

Under the general power bond resolution, Platte River is required to charge wholesale electric energy rates to the owner communities that are reasonably expected to yield net revenues for the forthcoming 12-month period that are equal to at least 1.10 times total power bond service requirements. Under the general power bond resolution, Platte River has established a rate stabilization reserve account. Deposits to this account are a reduction to current net revenues for purposes of computing bond service coverage. Future withdrawals will increase net revenues for purposes of computing bond service coverage and could assist Platte River, at that time, in meeting its wholesale rate covenant. The balances in the rate stabilization reserve account at Dec. 31, 2023 and 2022, were \$20,194,000 and \$19,546,000, respectively, excluding accrued interest. The rate stabilization reserve account is included in dedicated funds and investments in the statements of net position.

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The following table is a calculation of the power revenue bond coverage ratio for the years ended Dec. 31, 2023 and 2022.

	2023	2022 restated
	<i>(in thousands)</i>	
Bond service coverage		
Net revenues		
Operating revenues	\$ 257,249	\$ 271,657
Operating expenses, excluding depreciation, amortization and accretion	227,770	221,209
Net operating revenues	29,479	50,448
Plus interest and other income ⁽¹⁾	8,107	3,326
Net revenues before rate stabilization	37,586	53,774
Rate stabilization		
Deposits	-	-
Withdrawals	-	-
Total net revenues	\$ 37,586	\$ 53,774
Bond service		
Power revenue bonds	\$ 17,783	\$ 17,787
Bond service coverage ratio	2.11	3.02

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

Arbitrage rebate

Under U.S. Treasury Department regulations, all governmental tax-exempt debt issued after Aug. 31, 1986, is subject to arbitrage rebate requirements. Interest income on bond proceeds that exceeds the cost of borrowing is payable to the federal government on every fifth anniversary of each bond issue. Platte River had no arbitrage liability outstanding as of Dec. 31, 2023 and 2022.

Deferred outflows of resources related to debt

As of Dec. 31, 2023 and 2022, deferred outflows related to debt consisted of the unamortized deferred loss on debt refundings of \$2,281,000 and \$3,075,000, respectively.

Deferred inflows of resources related to debt

As of Dec. 31, 2023 and 2022, deferred inflows related to debt consisted of the unamortized deferred gain on debt refundings of \$112,000 and \$126,000, respectively.

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8. Defined benefit pension plan

Description

The following brief description of the defined benefit pension plan is provided for general information purposes only. Participants and all others should refer to the plan document for more complete information. Platte River does not issue separate stand-alone financial statements for the defined benefit pension plan.

Effective June 1, 1973, Platte River adopted the defined benefit pension plan. Generally, the defined benefit pension plan is a defined-benefit, single-employer plan covering all regular employees of Platte River hired before Sept. 1, 2010. The defined benefit pension plan is closed to new employees hired on or after that date.

The general manager of Platte River is the defined benefit pension plan administrator. The retirement committee, composed of six members (two staff members and four members of the board), meets quarterly and oversees the defined benefit pension plan's investments. Platte River's board is the designated governing body over the defined benefit pension plan and has the authority to amend the defined benefit pension plan as necessary. In 2020, the board appointed a defined benefit plan subcommittee. The subcommittee has the power by unanimous resolution to amend the defined benefit pension plan. Platte River pays all administrative expenses of the defined benefit pension plan.

The defined benefit pension plan has received favorable determination letters from the IRS for the original defined benefit pension plan and subsequent amendments effective through Jan. 1, 2014. Thereafter, the IRS ended review of amendments and stopped providing determination letters.

Benefits provided

Retirement benefits are based on years of service rendered and the final average compensation earned by the participant as defined by the plan document. The defined benefit pension plan provides for 100% vesting after five years of service to all eligible employees.

The defined benefit pension plan provides for normal retirement at age 65. A participant may retire before age 65 after having completed 10 years of credited service and having attained at least age 55, with reduced benefits in accordance with the plan document. For a participant who began employment before Jan. 1, 2008, a special early retirement benefit is available if the participant has completed 13 years of credited service and has attained the ages of 55 through 58 or has completed 20 years of credited service and has attained the age of 55. A participant who began employment on or after Jan. 1, 2008, qualifies for special early retirement if the participant has completed 20 years of credited service and terminates employment after attaining age 55. Benefits will not be reduced if the participant elects to receive benefits on or after the seventh anniversary of the date the participant is first eligible for the special early retirement benefit. The defined benefit pension plan also provides for a deferred vested

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retirement income starting at the normal retirement date to participants who choose to leave Platte River before normal retirement age.

Participants may elect to receive their benefits by selecting one of the six forms of payment: (1) the duration of the participant's life; (2) the duration of the participant's life with a minimum of 10 years certain and any remainder paid to a beneficiary; (3) 50% joint and survivor annuity option; (4) 66-2/3% joint and survivor option with a minimum of 10 years certain and any remainder paid to a beneficiary; (5) 66-2/3% joint and survivor option without 10 years certain; or (6) an actuarially equivalent lump sum payment, when this option is available. Active employees who become totally and permanently disabled may qualify for a vested retirement income at age 65 or an early retirement income at ages 55 through 64 if they have met the requirements for these benefits when they initially became disabled. Upon the death of an active or disabled retiree, a benefit in the form of a monthly income or lump sum payment is paid to the participant's beneficiary in accordance with the plan document.

Benefits paid by the defined benefit pension plan are adjusted annually by the change in the consumer price index, subject to a maximum increase of 6% for employees who retired before Dec. 6, 1991. Employees who retired on or after Dec. 6, 1991, receive two-thirds of the change in the consumer price index, up to a maximum of 4%.

Membership

At Dec. 31, participants in the defined benefit pension plan are as follows.

	<u>2023</u>	<u>2022</u>
Retirees and beneficiaries currently receiving benefits	185	180
Terminated vested employees not yet receiving benefits	46	47
Active plan participants	72	77
Total participants	<u>303</u>	<u>304</u>

Contributions

All contributions to the defined benefit pension plan are authorized by the board and made by Platte River. Employees cannot contribute to the defined benefit pension plan. The defined benefit pension plan's funding policy is intended to fund current service costs as they accrue, plus an additional funding charge if the market value of the assets is less than 100% of the actuarial present value of accumulated plan benefits.

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Platte River's contributions to the defined benefit pension plan, equaling or exceeding the actuarially determined requirements for the years ended Dec. 31, 2023 and 2022, are as follows.

	<u>2023</u>	<u>2022</u>
	<i>(in thousands)</i>	
Base contribution	\$ 3,041	\$ 3,192
Additional funding	3,000	1,141
Total contributions	<u>\$ 6,041</u>	<u>\$ 4,333</u>

Expenses

Investment manager fees are deducted from investment earnings by the investment management firms.

Additionally, Platte River pays the administrative expenses of the defined benefit pension plan, including actuarial fees, investment consulting fees, trustee fees, auditing expenses and legal fees.

Net pension liability

The net pension liability was measured and determined by actuarial valuations as of Dec. 31, 2023 and 2022, respectively. The components of the net pension liability were as follows.

	<u>2023</u>	<u>2022</u>
	<i>(in thousands)</i>	
Total pension liability	\$ 141,193	\$ 135,605
Plan fiduciary net position	112,919	105,085
Platte River's net pension liability	<u>\$ 28,274</u>	<u>\$ 30,520</u>
Plan fiduciary net position as a percentage of the total pension liability	79.98%	77.49%

Actuarial assumptions

Total pension liability for the years ended Dec. 31, 2023 and 2022, was determined using the following actuarial assumptions, applied to all periods included in the measurement.

	<u>2023</u>	<u>2022</u>
Salary increases, next calendar period, all ages	3%	7%
Salary increases, all future periods, age <51	4%	4%
Salary increases, all future periods, age 51-65	3%	3%
Salary increases, all future periods, age 66+	2%	2%
Investment rate of return	7.5%	7.5%
Cost of living	1.5%	1.5%

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Mortality rates for the years ended Dec. 31, 2023 and 2022, were based on the Pri-2012 employee, healthy retiree and contingent survivor mortality tables for males and females, projected generationally with the MP-2020 projection scales for males and females.

The actuarial assumption for the long-term expected rate of return on defined benefit pension plan investments is established in the investment policy statement approved by the retirement committee. Platte River establishes a rate using best-estimate ranges of expected future rates of return net of investment expense for each major asset class. The estimates for each major asset class that are included in the defined benefit pension plan's target asset allocation as of Dec. 31, 2023 and 2022, are summarized in the following table.

Asset class	Target allocation		Long-term expected rate of return	
	Dec. 31, 2023	Dec. 31, 2022	2023	2022
Domestic equities	34%	33%	7.0%	7.1%
International equities	16%	16%	6.9%	7.0%
Emerging market equities	6%	7%	6.9%	7.2%
Core fixed income	14%	15%	4.3%	3.1%
Inflation protection	3%	2%	3.7%	3.3%
High yield	7%	7%	6.0%	5.4%
Infrastructure	2%	2%	6.6%	7.1%
Natural resources	5%	5%	7.6%	6.9%
Real estate	2%	2%	7.6%	9.4%
Private credit	4%	4%	6.2%	9.2%
Private equity	6%	6%	8.3%	10.0%
Cash	1%	1%	n/a	n/a

Discount rate

The discount rate used to measure total pension liability was 7.5% for the years ended Dec. 31, 2023 and 2022. Projections of cash flows assumed: (a) employer contributions are made throughout the year and, on average, at midyear and (b) all decrement events are assumed to occur in the middle of the year. Based on these assumptions, the defined benefit pension plan's fiduciary net position was projected to meet all projected future benefit payments of current defined benefit pension plan participants. The long-term expected rate of return on defined benefit pension plan investments was applied to all periods of projected benefit payments to determine total pension liability.

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Changes in net pension liability

Changes in net pension liability for the year ended Dec. 31, 2023, were as follows.

	Total pension liability (a)	Plan fiduciary net position (b)	Net pension liability (a) – (b)
<i>(in thousands)</i>			
Balances at Dec. 31, 2022	\$ 135,605	\$ 105,085	\$ 30,520
Changes for the year			
Service cost	1,100	-	1,100
Interest	9,939	-	9,939
Changes of benefit terms	-	-	-
Differences between expected and actual experience	2,918	-	2,918
Employer contributions	-	6,041	(6,041)
Net investment income	-	10,162	(10,162)
Benefit payments	(8,369)	(8,369)	-
Changes of assumptions	-	-	-
Net changes	5,588	7,834	(2,246)
Balances at Dec. 31, 2023	\$ 141,193	\$ 112,919	\$ 28,274

Changes in net pension liability for the year ended Dec. 31, 2022, were as follows.

	Total pension liability (a)	Plan fiduciary net position (b)	Net pension liability (a) – (b)
<i>(in thousands)</i>			
Balances at Dec. 31, 2021	\$ 129,287	\$ 121,517	\$ 7,770
Changes for the year			
Service cost	1,055	-	1,055
Interest	9,459	-	9,459
Changes of benefit terms	-	-	-
Differences between expected and actual experience	4,254	-	4,254
Employer contributions	-	4,333	(4,333)
Net investment loss	-	(12,315)	12,315
Benefit payments	(8,450)	(8,450)	-
Changes of assumptions	-	-	-
Net changes	6,318	(16,432)	22,750
Balances at Dec. 31, 2022	\$ 135,605	\$ 105,085	\$ 30,520

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Sensitivity of the net pension liability to changes in the discount rate

Net pension liability at Dec. 31, 2023, calculated using the current discount rate, as well as using a discount rate 1% lower or 1% higher than the current rate, is as follows.

Discount rate	Net pension liability 2023 <i>(in thousands)</i>
1% decrease	6.5% \$ 42,264
Current discount rate	7.5% 28,274
1% increase	8.5% 16,293

Termination

Platte River reserves the right to discontinue its contributions at any time and to terminate the defined benefit pension plan, although it has not expressed any intention to do so. Discontinuing contributions does not constitute a formal termination of the defined benefit pension plan. If Platte River formally terminates the defined benefit pension plan, the net position of the defined benefit pension plan will be distributed in the following order of priority.

- a. The minimum required amount to retired or terminated participants whose retirement income payments began at least three years before the termination date.
- b. Each other active, retired or terminated participant who, at least three years before the termination date, had become eligible for benefits.

Remaining assets are allocated between participants and beneficiaries using the excess above the amount required to provide the actuarial equivalent single sum value.

Platte River is not subject to the provisions of the Employee Retirement Income Security Act of 1974, as amended (ERISA) and is therefore not subject to the pension benefit guaranty provisions of ERISA. Benefits under the defined benefit pension plan are not insured by the Pension Benefit Guaranty Corporation.

Pension expense

The board-approved policies under GASB 62, paragraphs 476–500, allow Platte River to recognize pension expense when recovered through rates rather than recording the amount calculated under GASB 68 (note 6).

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For the years ended Dec. 31, 2023 and 2022, Platte River recognized pension expense as follows.

	2023	2022
	<i>(in thousands)</i>	
Base contribution	\$ 3,041	\$ 3,192
Additional pension funding expense amortization (note 6)	853	896
Pension contribution expense recognition amortization (note 6)	621	811
Total pension expense	<u>\$ 4,515</u>	<u>\$ 4,899</u>

Deferred outflows of resources and deferred inflows of resources related to the defined benefit pension plan

At Dec. 31, 2023 and 2022, Platte River reported deferred outflows of resources and deferred inflows of resources related to the defined benefit pension plan from the following sources.

Dec. 31, 2023	Deferred outflows of resources	Deferred inflows of resources
	<i>(in thousands)</i>	
Differences between expected and actual experience	\$ 1,554	\$ -
Changes of assumptions	-	-
Net difference between projected and actual earnings on investments	8,233	-
Total	<u>\$ 9,787</u>	<u>\$ -</u>

Dec. 31, 2022	Deferred outflows of resources	Deferred inflows of resources
	<i>(in thousands)</i>	
Differences between expected and actual experience	\$ 2,851	\$ -
Changes of assumptions	-	287
Net difference between projected and actual earnings on investments	11,998	-
Total	<u>\$ 14,849</u>	<u>\$ 287</u>

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Amounts reported as deferred outflows of resources and deferred inflows of resources related to the defined benefit pension plan as of Dec. 31, 2023, will be recognized as a component of pension expense as follows.

<u>Year ending Dec. 31</u>	
<i>(in thousands)</i>	
2024	\$ 4,114
2025	2,366
2026	3,781
2027	(474)
2028	-
Total	<u>\$ 9,787</u>

9. Asset retirement obligations

Platte River has evaluated its contracts and current regulations associated with tangible capital assets and identified those subject to asset retirement obligation recognition under GASB Statement No. 83, *Certain Asset Retirement Obligations* and for which costs can be estimated.

Asset retirement obligation activity for the year ended Dec. 31, 2023, was as follows.

	<u>Dec. 31,</u>				<u>Dec. 31,</u>		<u>Due within</u>
	<u>2022</u>	<u>Additions</u>	<u>Reductions</u>	<u>2023</u>	<u>2023</u>	<u>one year</u>	
	<i>(in thousands)</i>						
Deferred outflows of resources	\$ 25,316	\$ 4,476	\$ (3,421)	\$ 26,371	\$	-	
Liabilities	33,286	4,476	(1,846)	35,916	\$	933	

Asset retirement obligation activity for the year ended Dec. 31, 2022, was as follows.

	<u>Dec. 31,</u>				<u>Dec. 31,</u>		<u>Due within</u>
	<u>2021</u>	<u>Additions</u>	<u>Reductions</u>	<u>2022</u>	<u>2022</u>	<u>one year</u>	
	<i>(in thousands)</i>						
Deferred outflows of resources	\$ 22,447	\$ 5,069	\$ (2,200)	\$ 25,316	\$	-	
Liabilities	29,255	5,069	(1,038)	33,286	\$	1,547	

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Rawhide Energy Station decommissioning

As part of the 1979 rezoning resolution and Rawhide Energy Station construction agreement with the Board of County Commissioners of Larimer County, the county government included reclamation or restoration requirements if Platte River abandons the Rawhide Energy Station as a location for the generation of electricity. Platte River agreed to remove all above-ground structures, excluding the cooling pond dam and power plant foundations, in accordance with reasonable specifications and procedures to be agreed upon by both parties at the time of abandonment.

In 2019, Platte River hired an independent engineering firm to estimate the asset retirement obligation under the agreement's reclamation or restoration clause. The firm's report estimates the cost to decommission and demolish all infrastructure to grade, except the substation and transmission line, with no concrete foundation removal. The estimate assumes a contractor will perform the necessary work. The cost estimate has not been reduced for the potential market value of reusable or scrap materials and does not consider associated recycling costs.

Platte River has recognized its asset retirement liability using the "probable cost" price estimates developed by the engineering firm. Cost estimates were provided with a +/- 30 percent high-low range from the probable cost estimate for decommissioning, demolition and environmental cost categories. The deferred outflows of resources and associated liability will be adjusted for inflation/deflation annually and reviewed for other significant changes.

The amortization period for recognition of the deferred outflow of resources is based on the estimated remaining useful life of the Rawhide Energy Station of Dec. 31, 2055.

The deferred outflows of resources and associated liability as of Dec. 31, 2023 and 2022, are shown in the table below.

	<u>2023</u>		<u>2022</u>
	<i>(in thousands)</i>		
Deferred outflows of resources	\$ 15,128	\$	14,416
Noncurrent liability	17,551	\$	16,403

Rawhide Energy Station impoundments

Platte River is obligated under state laws and regulations to remove wastes from impoundments at the Rawhide Energy Station and confirm that any environmental impact has been addressed before closure. The impoundments used for the generation of electric power and energy and associated purposes include nine phosphorous removal ponds, one retention pond and a fire training pond. Platte River hired an independent consultant to estimate the closure costs of the impoundments. Following state regulations, the estimate will be updated every five years. As a result, Platte River recognized an asset retirement obligation for the estimated clean closure costs of these impoundments and the amount is adjusted annually for inflation/deflation. These costs are amortized over the estimated remaining useful life of each impoundment or the estimated remaining useful life of the facility, whichever is shorter. Impoundments are therefore

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amortized through Rawhide Unit 1's planned retirement date, which is Dec. 31, 2029. Platte River meets the financial assurances required by the state.

The deferred outflows of resources and associated liability as of Dec. 31, 2023 and 2022, are shown in the table below.

	2023	2022
	<i>(in thousands)</i>	
Deferred outflows of resources	\$ 4,397	\$ 4,581
Noncurrent liability	7,178	6,708

Craig Generating Station impoundments

As part of the Yampa Project Amended and Restated Participation Agreement among PacifiCorp, Public Service Company of Colorado, Platte River Power Authority, Salt River Project Agricultural Improvement and Power District and Tri-State Generation and Transmission Association, Inc. (Participation Agreement), the participants must operate, maintain, replace, remove and provide all Yampa Project capital improvements in compliance with laws, executive orders and regulations applicable to the participants. The Participation Agreement continues until the last of Craig Generating Station Unit 1 or 2 is retired from service, and all salvage and required site restoration is completed and the participants have paid their respective shares of those costs. The participants have undivided ownership interests in Craig units 1 and 2 and the common facilities.

Tri-State is the operating agent under the Participation Agreement. Tri-State has given Platte River its best estimate of the current asset retirement obligation liability based on Financial Accounting Standards Board guidance, which is being accreted to a future cashflow estimate and does not currently represent the full liability. The asset retirement obligation consists of restoration costs of five dewatering ponds, a high-quality water holding pond and an evaporation pond used for the generation of electric power and energy and associated uses. Beginning in 2022, the asset retirement obligation increased due to including an estimate for post closure monitoring of the ponds and cost estimate updates. Platte River's interest in Craig units 1 and 2 represents a minority of the asset retirement obligation. Under GASB 83 guidance, Platte River's reported liability depends on the measurement produced by Tri-State. Platte River receives an annual update for its share of the asset retirement obligation from Tri-State and adjusts the liability and future amortization schedule accordingly. Each pond, representing an associated tangible capital asset of the asset retirement obligation liability, is amortized through Craig Unit 2's planned retirement date of Sept. 30, 2028.

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Platte River's share of the deferred outflows of resources and associated liability as of Dec. 31, 2023 and 2022, is shown in the table below.

	2023	2022
	<i>(in thousands)</i>	
Total member liability	\$ 31,117	\$ 29,787
Platte River's % share	12%	12%
Platte River's deferred outflows of resources	\$ 2,497	\$ 2,830
Platte River's noncurrent liability	\$ 3,734	\$ 3,575

Trapper Mining Inc. reclamation and mine closure

Trapper Mining Inc. is engaged in the business of mining, selling and delivering coal from the Trapper Mine located near Craig, Colorado, to its members under an agreement with the Craig Generating Station, located adjacent to the Trapper Mine. Trapper Mining Inc. follows Financial Accounting Standard Board guidance and has recorded an asset retirement obligation related to the final reclamation and mine closure based on detailed engineering calculations of the amount and timing of future cash spending for a third party to perform the required work. Under the Final Reclamation Agreement with its members, Trapper Mining Inc. (as contractor) and Salt River Project Agricultural Improvement and Power District, Tri-State, PacifiCorp, Platte River, and Public Service Company of Colorado (as payors) assume responsibility for the asset retirement obligation. The acres of mine to be reclaimed and associated costs are reviewed annually, and the costs are allocated to members based on cumulative tons of coal delivered. Tri-State and Public Service Company of Colorado are no longer members and have settled their asset retirement obligations. The coal contract expires Dec. 31, 2025, and the remaining amount of unamortized deferred outflows of resources is amortized over the remaining term of the contract. In 2021, Trapper Mining Inc. began invoicing for reclamation costs incurred, which Platte River pays and charges against the liability.

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Platte River's share of the deferred outflows of resources and associated liability as of Dec. 31, 2023 and 2022, is shown in the table below.

	2023	2022
	<i>(in thousands)</i>	
Total member liability	\$ 34,498	\$ 28,582
Platte River's % share	26.67%	26.72%
Platte River's deferred outflows of resources	\$ 4,349	\$ 3,489
Platte River's gross liability	\$ 9,201	\$ 7,639
Less: reclamation costs incurred	(1,748)	(1,039)
Platte River's net liability	\$ 7,453	\$ 6,600
Less: current liability	(933)	(1,547)
Noncurrent liability	<u>\$ 6,520</u>	<u>\$ 5,053</u>

Easement agreements

Platte River is a party to numerous easement agreements related to transmission lines and pipelines. These assets are determined to complete a single system, have a perpetual life and are not expected to be retired. Platte River intends to replace sections of its transmission lines, if necessary, and not retire the entire system. Therefore, an asset retirement obligation related to these easements cannot be reasonably estimated.

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10. Noncurrent liabilities

Noncurrent liability activity for the year ended Dec. 31, 2023, was as follows.

	Dec. 31, 2022	Additions	Reductions	Dec. 31, 2023	Due within one year
	<i>(in thousands)</i>				
Long-term debt, net	\$ 150,023	\$ -	\$ (14,552)	\$ 135,471	\$ 12,790
Other liabilities and credits					
Compensated absences	6,765	1,474	(314)	7,925	575
Fiber lease advances	394	-	(47)	347	46
Yampa employee obligation	291	-	(3)	288	-
Disposal facility closure costs	332	1,718	-	2,050	-
Deposits	-	2,175	-	2,175	-
Total other liabilities and credits	7,782	5,367	(364)	12,785	621
Total noncurrent liabilities	<u>\$ 157,805</u>	<u>\$ 5,367</u>	<u>\$ (14,916)</u>	<u>\$ 148,256</u>	<u>\$ 13,411</u>

Noncurrent liability activity for the year ended Dec. 31, 2022, was as follows.

	Dec. 31, 2021	Additions	Reductions	Dec. 31, 2022	Due within one year
	<i>(in thousands)</i>				
Long-term debt, net	\$ 164,297	\$ -	\$ (14,274)	\$ 150,023	\$ 12,215
Other liabilities and credits					
Compensated absences	6,197	981	(413)	6,765	586
Fiber lease advances	455	-	(61)	394	46
Yampa employee obligation	380	-	(89)	291	-
Disposal facility closure costs	212	120	-	332	-
Total other liabilities and credits	7,244	1,101	(563)	7,782	632
Total noncurrent liabilities	<u>\$ 171,541</u>	<u>\$ 1,101</u>	<u>\$ (14,837)</u>	<u>\$ 157,805</u>	<u>\$ 12,847</u>

As discussed in note 3, Platte River has an ash disposal facility, comprising three cells (C1, 2A and 2B), at Rawhide Energy Station and accrues a liability to report a portion of state-regulated closure and postclosure costs, by cell, as an operating expense in each period based on landfill

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capacity used as of each statement of net position date. For this purpose, Cells 1 and 2A are considered at capacity and is no longer accepting waste. They also have similar remaining closure and postclosure requirements. Cell 2B was placed into service at the beginning of 2023. Cell 2B's potential capacity exceeds the projected capacity to be used before closure, therefore Platte River considers the greater of actual capacity used or a straightline percentage through expected closure as the capacity used for determining the liability.

Current regulations require Platte River to place a final cover on Cell 2B as part of closure and postclosure monitoring for 30 years on all cells following the closure process. Closure and postclosure cost estimates are allocated to the cells as determined by management, based on the closure and postclosure activities required by each cell. These cost estimates are based on costs to perform all closure and postclosure compliance in 2023. Platte River expects to begin closing the ash disposal facility no earlier than 2030. Actual costs will vary due to inflation, changes in technology or changes in regulations. Cost estimates are maintained according to financial assurance regulations which include periodic updates by an independent third party. In years where a new cost estimate is not obtained, the costs are updated using inflation rates promulgated by the Colorado Department of Public Health and Environment. Disposal facility closure costs are as follows for the years ended Dec. 31, 2023 and 2022.

	2023	2022
	<i>(in thousands)</i>	
Cells 1 and 2A closure and postclosure care cost estimate	\$ 1,144	\$ 332
Capacity used to date	100%	100%
Cells 1 and 2A disposal facility closure cost liability	\$ 1,144	\$ 332
Cell 2B closure and postclosure care cost estimate	\$ 6,333	\$ 6,657
Capacity used to date	14.3%	0.0%
Cell 2B disposal facility closure cost	\$ 906	\$ -
Total disposal facility closure cost	<u>\$ 2,050</u>	<u>\$ 332</u>

11. Other long-term obligations

Under an agreement between the Windy Gap Firing Project Water Activity Enterprise, Municipal Subdistrict of Northern Colorado Water Conservancy District (Municipal Subdistrict) and Platte River, Platte River has contractual rights to 16,000 acre-feet of storage in the total 90,000 acre-feet storage system known as the Windy Gap Firing Project, of which the largest component is the Chimney Hollow Reservoir. Contractors expect construction to progress

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through 2025, at which point the new reservoir will be ready to fill. The time needed to fill the reservoir will depend on water supply conditions. Total project costs are not final until the construction period ends. Once the project is complete, Platte River will have a perpetual right for capacity in the project.

In 2021, the project was partially financed through a pooled financing with other participants. Due to alternate accounting treatment (note 6) and specifics of the agreement, Platte River recorded a regulatory asset and other long-term obligations. The regulatory asset is the value of the total cost of the project whereas the other long-term obligations represent Platte River's portion of the pooled financing. Platte River did not receive cash with the financing as the project is managed by the Municipal Subdistrict; however, Platte River also cash funded a portion of the project. The debt service payments under the pooled financing are included in operations and maintenance expense and not accounted for as debt service. These payments are considered fixed obligation charges, reported as cash flows from capital and related financing activities and the outstanding balance of the pooled financing is considered other long-term obligations.

Other long-term obligations outstanding consist of the following.

	Interest rate	Dec. 31,	
		2023	2022
		<i>(in thousands)</i>	
Windy Gap Firing Project obligations			
Pooled financing senior debt maturing 7/15/2051	4%–5%	\$ 61,046	\$ 61,046
Pooled financing subordinate debt estimated to mature 8/1/2055	2.08%	32,360	32,360
Settlement liability	n/a	1,778	1,778
		<u>95,184</u>	<u>95,184</u>
Less: due within one year		(889)	-
Total long-term obligations, net		<u>\$ 94,295</u>	<u>\$ 95,184</u>

Operations and maintenance expenses relating to the pooled financing alternative accounting treatment are as follows.

	2023	2022
	<i>(in thousands)</i>	
Interest	\$ 2,888	\$ 2,888
Principal	-	-
Total operations and maintenance expenses relating to the pooled financing	<u>\$ 2,888</u>	<u>\$ 2,888</u>

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Estimated calendar year totals for pooled financing payments under the agreement are as follows. These will change depending on final construction timing and costs, and the ability of the other participants to meet their funding obligations.

Year ending Dec. 31	Estimated net principal ⁽¹⁾	Estimated interest	Total
	<i>(in thousands)</i>		
2024	\$ -	\$ 2,888	\$ 2,888
2025	-	2,888	2,888
2026	2,935	3,561	6,496
2027	3,061	3,438	6,499
2028	3,188	3,308	6,496
2029-2033	18,108	14,376	32,484
2034-2038	22,340	10,143	32,483
2039-2044	18,848	5,069	23,917
2045-2048	8,671	2,395	11,066
2049-2053	8,575	986	9,561
2054-2055	2,833	89	2,922
	<u>\$ 88,559</u>	<u>\$ 49,141</u>	<u>\$ 137,700</u>

⁽¹⁾ Estimated unused senior bond service reserves applied in 2041 and 2051.

Other obligations relating to the project include Platte River's portion of a settlement liability estimated to be payable in 2024 and 2025.

At Dec. 31, 2023 and 2022, other long-term assets include senior bond service reserve funds of \$4,847,000, which are expected to be applied to future principal payments as shown in estimated net principal above but are not included in total other long-term obligations.

At Dec. 31, 2023 and 2022, other long-term assets also include liquidity fund deposits of \$1,562,000 and \$305,000, respectively, which are held for use if another participant defaults. When the pooled financing is fully repaid, liquidity funds are expected to be returned to Platte River.

12. Lease and subscription liabilities

Lease and subscription liabilities represent obligations associated with the recognition of amortizable lease and subscription assets (notes 3 and 4) based on the net present value of anticipated future cashflows at the commencement of each lease or subscription term. When necessary, these anticipated future cashflows consider management's best estimate of exercising optional terms within contracts, and actual terms may differ. No lease or subscription contract has a stated or implied interest rate, therefore, Platte River has used an estimated

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incremental borrowing rate which varies, based on interest rates at the time of each commencement, between 0.4% and 3.6%.

Lease and subscription liability activity for the year ended Dec. 31, 2023, was as follows.

	Dec. 31, 2022 restated	Additions	Reductions	Dec. 31, 2023	Due within one year
	<i>(in thousands)</i>				
Lease liabilities	\$ 120	\$ -	\$ (9)	\$ 111	\$ 9
Subscription liabilities	1,134	586	(329)	1,391	632
Total lease and subscription liabilities	<u>\$ 1,254</u>	<u>\$ 586</u>	<u>\$ (338)</u>	<u>\$ 1,502</u>	<u>\$ 641</u>

Lease and subscription liability activity for the year ended Dec. 31, 2022, was as follows.

	Dec. 31, 2021	Additions	Reductions	Dec. 31, 2022 restated	Due within one year
	<i>(in thousands)</i>				
Lease liabilities	\$ 134	\$ -	\$ (14)	\$ 120	\$ 9
Subscription liabilities	-	1,736	(602)	1,134	329
Total lease and subscription liabilities	<u>\$ 134</u>	<u>\$ 1,736</u>	<u>\$ (616)</u>	<u>\$ 1,254</u>	<u>\$ 338</u>

Interest expense for the years ended Dec. 31, 2023 and 2022, related to lease and subscription liabilities, was \$7,000 and \$5,000, respectively. In addition to principal and interest, Platte River recognized, as operating expenses, variable payments of \$16,000 and \$19,000 during the years ended Dec. 31, 2023 and 2022, which were not included in the initial measurement of the liabilities. No other non-support payments, such as termination penalties, were incurred.

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Calendar year totals for expected lease liability principal and interest payments are shown in the following table.

Year ending Dec. 31	Principal	Interest	Total
	<i>(in thousands)</i>		
2024	\$ 9	\$ 4	\$ 13
2025	9	4	13
2026	10	3	13
2027	10	3	13
2028	11	3	14
2029-2033	62	9	71
	<u>\$ 111</u>	<u>\$ 26</u>	<u>\$ 137</u>

Calendar year totals for expected subscription liability principal and interest payments are shown in the following table.

Year ending Dec. 31	Principal	Interest	Total
	<i>(in thousands)</i>		
2024	\$ 632	\$ 33	\$ 665
2025	585	19	604
2026	174	3	177
	<u>\$ 1,391</u>	<u>\$ 55</u>	<u>\$ 1,446</u>

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13. Net investment in capital assets

Net investment in capital assets consisted of the following as of Dec. 31, 2023 and 2022.

	2023	2022 restated
	<i>(in thousands)</i>	
Electric utility plant	\$ 557,394	\$ 574,294
Windy Gap Firming Project storage rights	110,568	111,261
Other long-term assets relating to capital assets	6,408	5,152
Deferred loss on debt refundings	2,281	3,075
Debt issuance expense recognition regulatory asset	478	558
Deferred gain on debt refundings	(112)	(126)
Lease and subscription liabilities	(1,502)	(1,254)
Accounts payable incurred for capital assets	(2,136)	(3,493)
Deferred gains and losses on capital retirements	(36,425)	(43,313)
Other long-term obligations	(95,184)	(95,184)
Long-term debt, net	(135,471)	(150,023)
Net investment in capital assets	<u>\$ 406,299</u>	<u>\$ 400,947</u>

14. Defined contribution plan

Effective Sept. 1, 2010, the board established the Platte River Power Authority defined contribution plan (in accordance with Internal Revenue Code Section 401(a)) for all regular employees hired on or after that date. As of Dec. 31, 2023, there were 215 active plan participants. The plan's assets are held in an external trust account and the investments are participant directed.

Based on years of service, Platte River contributed between 5% and 10% of earnings for plan participants. Platte River also contributed to the 401(a) an amount equal to 50% of the participant's contributions to a separate 457(b) plan, taking into account only participant contributions up to 6% of the participant's earnings. For the years ended Dec. 31, 2023 and 2022, Platte River contributions to the 401(a) plan, which were recognized as expenses, were \$2,168,000 and \$1,707,000, respectively. The employer contributions to the 401(a) plan vest 100% after three years. The plan's records are kept on the accrual basis.

15. Insurance programs

Platte River has purchased insurance policies to cover the risk of loss related to various general liability, property loss exposures and cyber events. Insurance settlements have not exceeded insurance coverage in the past three years. Platte River also provides a self-insured medical and dental plan to its employees. Platte River carries medical stop-loss insurance to cover

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losses above \$175,000 per person per incident. A liability was recorded for estimated medical and dental claims that were incurred but not reported. Platte River uses a third-party administrator to account for health insurance claims and estimates medical claims liability based on prior claims payment experience. Medical claims liability is included as a component of accounts payable in the statements of net position.

Changes in the balance of the medical claims liability during 2023, 2022 and 2021 were as follows.

	2023	2022	2021
	<i>(in thousands)</i>		
Medical claims liability, beginning of year	\$ 1,000	\$ 493	\$ 552
Current year claims and changes in estimates	5,747	5,058	3,577
Claim payments	(5,809)	(4,551)	(3,636)
Medical claims liability, end of year	\$ 938	\$ 1,000	\$ 493

16. Related-party transactions

Platte River pays certain expenses of the defined benefit pension plan and performs certain administrative functions at no cost to the defined benefit pension plan.

17. Commitments

Platte River has two long-term purchase power contracts with WAPA. The contract with the Colorado River Storage Project continues through Sept. 30, 2057. The Loveland Area Projects contract continues through Sept. 30, 2054. The contract rates and the amount of energy available are subject to change. During 2023, Platte River paid \$16,183,000 for power delivered under these contracts.

Platte River and two of the other four participants in the Yampa Project own Trapper Mine, the primary source of coal for the Yampa Project. The contract provides for delivery of specified amounts of coal to each Yampa owner through 2025. This contract is subject to price adjustments. During 2023, Platte River's coal purchases totaled \$20,862,000 under this contract.

The Rawhide Energy Station's coal purchase and transportation agreements are under multiple-year contracts. Base prices for these contracts are subject to future price adjustments. During 2023, Platte River paid \$23,305,000 for coal delivered under these agreements.

Platte River has committed to purchase Renewable Energy Certificates (RECs) annually through 2024, with future payment of \$538,000. During 2023, Platte River paid \$550,000 under these REC agreements.

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Platte River has agreements to purchase renewable wind energy output of 12 megawatts from Silver Sage Windpower Project through 2029, 60 megawatts from Spring Canyon Wind Energy Center Phases II and III through 2039, approximately 6 megawatts from Medicine Bow Wind Project through 2033 and 225 megawatts from Roundhouse Wind Energy Center through 2042. During 2023, Platte River paid \$23,439,000 under these renewable wind energy agreements. Platte River has a long-term agreement with a third party to sell all the output purchased from the Silver Sage Windpower Project through 2029. During 2023, Platte River received \$627,000 under this agreement. In addition, to accommodate additional wind energy available from the Roundhouse Wind Energy Center power purchase agreement and reduce ancillary services expense, the energy and renewable attributes from the Spring Canyon Wind Energy Center Phases II and III sites were sold under a 10-year sales contract beginning in 2020. At the end of the sales contract, the energy will return to Platte River. During 2023, Platte River received \$3,496,000 under this agreement.

Platte River has agreements to purchase renewable solar energy output of 30 megawatts through 2041 from the Rawhide Flats Solar photovoltaic power plant (located at the Rawhide Energy Station) and 22 megawatts through 2041 from the Rawhide Prairie Solar photovoltaic power plant (also located at the Rawhide Energy Station). A two megawatt-hour battery energy storage project is fully integrated with Rawhide Prairie Solar. During 2023, Platte River paid \$4,890,000 under these renewable solar energy agreements.

Platte River has entered into a long-term agreement with a third party to sell 25 megawatts of generation from Craig units 1 and 2 through June 30, 2024. During 2023, Platte River received \$4,152,000 under this agreement.

Platte River has entered into a long-term agreement with a third party to sell 65 megawatts of capacity from combustion turbine units A-D through Apr. 30, 2025. The agreement also provides for energy, maintenance and start charges when the capacity option is called. During 2023, Platte River received \$5,251,000 under this agreement.

Platte River has entered into a long-term agreement with a third party to sell non-unit-specific capacity beginning on Jan. 1, 2024 through May 31, 2026. The capacity sold is 50 megawatts through the end of 2024, then increases to 100 megawatts through the duration of the agreement. The agreement also provides for terms and conditions of calls on the capacity, including minimum energy requirements and energy charges.

Platte River has entered into a long-term agreement with a third party to sell 25 megawatts of non-unit-specific capacity beginning on June 1, 2024 through Sept. 30, 2025. The agreement also provides for terms and conditions of calls on the capacity, including minimum energy requirements and energy charges.

18. Risks, uncertainties and contingencies

In the ordinary course of business, Platte River may be affected by various legal matters and is subject to legislative, administrative and regulatory requirements that govern operations and

Platte River Power Authority
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environmental compliance. Although Platte River cannot predict the outcomes of these matters, management is aware of no pending legal matters or environmental regulations for which the outcome is likely to have a material adverse effect upon Platte River's operations, financial position or changes in financial position in the near term.

Currently Platte River generates and delivers the majority of its energy from carbon resources. In December 2018, the board passed the Resource Diversification Policy. The policy includes the goal of reaching a 100% noncarbon energy mix by 2030 while maintaining Platte River's "three pillars" of providing reliable, environmentally responsible and financially sustainable electricity and services. The policy acknowledges that several conditions must be met to achieve this goal, including participation in a full energy market, more mature and lower-cost battery storage performance, transmission and distribution infrastructure investments, improved grid management systems and more. Platte River is proactively working to diversify its resource mix to achieve the policy's goal.

Additionally, potential changes in environmental regulations could affect the cost of generation for coal and gas facilities or could require significant capital expenditures and therefore materially affect the rates Platte River charges its customers. In 2019, the Colorado General Assembly adopted a "Climate Action Plan" (H.B. 19-1261) that established statewide goals for a 26% reduction in greenhouse gas emissions from 2005 levels by 2025, a 50% reduction by 2030 and a 90% reduction by 2050. In addition, S.B. 19-236 established even more stringent greenhouse gas emission reduction targets for electric utilities, including an 80% reduction from 2005 levels by 2030 and a 100% reduction by 2050. During 2020, the state released a draft roadmap outlining potential policies to meet outlined targets. In 2022, Platte River submitted a voluntary clean energy plan under H.B. 19-1261 and S.B. 19-236 showing Platte River's path to reduce its carbon emissions 80% by 2030 (compared to 2005 levels).

Investments of the defined benefit pension plan are subject to various risks, such as interest rate, credit, foreign currency, illiquidity, quality of fund managers and overall market volatility risk. Due to the level of risk associated with certain investments, it is reasonably possible that changes in the value of investments could occur in the near term and that these changes could materially affect the amounts reported in the statements of fiduciary net position.

Platte River makes defined benefit pension plan contributions and reports net pension liability based on assumptions about interest rates, inflation rates and employee demographics, all of which could change. Due to uncertainties inherent in the estimation and assumption process, it is at least reasonably possible that changes in these estimates and assumptions in the near term would be material to the financial statements.

The defined benefit pension plan is exposed to potential losses from torts. Platte River carries fiduciary liability insurance coverage for these types of claims. There have been no significant decreases in insurance coverage.

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Platte River's defined benefit pension plan portfolio includes allocations to various asset classes with volatile prices. Due to market conditions, the lump sum distribution option from the defined benefit pension plan was suspended in 2022.

Economic uncertainties continue to exist that may negatively affect Platte River's financial position, results of operations and cash flows. The duration and future financial impact of supply chain constraints, labor and materials shortages, price volatility in fuel and electric markets, inflation, national and international political tensions and other risks and uncertainties cannot be reasonably estimated.

19. Change in accounting principle

In 2023, Platte River recognized the effect of a change in accounting principle for implementation of GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, to reflect the initial recording for subscription arrangement accounting of amortizable subscription assets included in electric utility plant (note 4), subscription liabilities (note 12) and related amortization expense. This resulted in a restatement of the following Dec. 31, 2022, financial statement line items.

Year ended Dec. 31, 2022	Previously reported	Restated	Increase (decrease)
	<i>(in thousands)</i>		
Statement of net position			
Electric utility plant, at original cost			
Plant and equipment in service	\$ 1,463,609	\$ 1,466,932	\$ 3,323
Accumulated depreciation and amortization	(936,475)	(936,957)	(482)
Construction work in progress	26,117	24,873	(1,244)
Current assets			
Prepayments and other assets	2,868	2,506	(362)
Noncurrent liabilities			
Lease and subscription liabilities ⁽¹⁾	111	916	805
Current liabilities			
Current portion of lease and subscription liabilities ⁽²⁾	9	338	329
Accounts payable	24,378	24,359	(19)
Deferred inflows of resources			
Regulatory credits	75,810	75,947	137
Net position			
Net investment in capital assets	400,485	400,947	462
Unrestricted	238,583	238,103	(480)

⁽¹⁾ Previously reported as a component of other liabilities and credits but has also been reclassified to conform with current year presentation.

⁽²⁾ Previously reported as a component of accrued liabilities and other but has also been reclassified to conform with current year presentation.

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Dec. 31, 2023 and 2022

Year ended Dec. 31, 2022	Previously reported	Restated	Increase (decrease)
	<i>(in thousands)</i>		
Statement of revenues, expenses and changes in net position			
Operating revenues			
Deferred regulatory revenues	\$ (21,602)	\$ (21,739)	\$ (137)
Operating expenses			
Operations and maintenance	67,482	67,079	(403)
Administrative and general	26,015	25,956	(59)
Distributed energy resources	8,484	8,339	(145)
Depreciation, amortization and accretion	36,129	36,612	483
Nonoperating revenues (expenses)			
Interest expense	(4,163)	(4,168)	(5)
Change in net position	6,654	6,636	(18)
Net position at end of year	657,941	657,923	(18)
Statement of cash flows			
Cash flows from operating activities			
Payments for operating goods and services ⁽¹⁾	\$ (167,724)	\$ (166,773)	\$ 951
Cash flows from capital and related financing activities			
Additions to electric utility plant	(18,747)	(19,091)	(344)
Payments on lease and subscription liabilities	(14)	(621)	(607)
Noncash capital and related financing activities			
Additions of electric utility plant through leasing and subscription	-	1,736	1,736

⁽¹⁾ Previously reported adjusted for reclassification to payments related to other long-term obligations to conform with current year presentation not related to this change in accounting principle.

Platte River Power Authority
Defined benefit pension plan

Required supplementary information
Schedule of changes in net pension liability and related ratios

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
	<i>(in thousands)</i>									
Total pension liability	\$ 1,100	\$ 1,055	\$ 1,216	\$ 1,364	\$ 1,575	\$ 1,535	\$ 1,616	\$ 1,728	\$ 1,839	\$ 1,885
Service cost	9,939	9,459	9,306	9,179	9,022	8,740	8,421	8,176	7,665	7,343
Interest	-	-	(160)	-	-	-	-	-	2,397	-
Changes of benefit terms										
Differences between expected and actual experience	2,918	4,254	3,017	970	704	2,088	1,175	(620)	931	(180)
Changes of assumptions	(8,369)	(8,450)	(11,199)	(8,144)	(9,859)	(7,416)	(6,361)	(5,418)	(4,632)	(574)
Benefit payments	5,588	6,318	827	3,369	1,442	4,947	4,851	3,866	11,861	4,187
Net change in total pension liability	135,605	129,287	128,460	125,091	123,649	118,702	113,851	109,985	98,124	93,937
Total pension liability—beginning	\$ 141,193	\$ 135,605	\$ 129,287	\$ 128,460	\$ 125,091	\$ 123,649	\$ 118,702	\$ 113,851	\$ 109,985	\$ 98,124
Total pension liability—ending (a)	\$ 6,041	\$ 4,333	\$ 4,569	\$ 7,593	\$ 3,649	\$ 4,578	\$ 6,220	\$ 2,912	\$ 3,302	\$ 3,905
Plan fiduciary net position	10,162	(12,315)	15,291	6,995	13,044	(3,179)	11,289	7,476	(624)	4,658
Contributions – employer	(8,369)	(8,450)	(11,199)	(8,144)	(9,859)	(7,416)	(6,361)	(5,418)	(4,632)	(4,287)
Net investment income	7,834	(16,432)	8,661	6,444	6,834	(6,017)	11,148	4,970	(1,954)	4,276
Benefit payments	105,085	121,517	112,856	106,412	99,578	105,595	94,447	89,477	91,431	87,155
Net change in Plan fiduciary net position	\$ 112,919	\$ 105,085	\$ 121,517	\$ 112,856	\$ 106,412	\$ 99,578	\$ 105,595	\$ 94,447	\$ 89,477	\$ 91,431
Plan fiduciary net position—beginning	\$ 28,274	\$ 30,520	\$ 7,770	\$ 15,604	\$ 18,679	\$ 24,071	\$ 13,107	\$ 19,404	\$ 20,508	\$ 6,693
Plan fiduciary net position—ending (b)	79,98%	77.49%	93.99%	87.85%	85.07%	80.53%	88.96%	82.96%	81.35%	93.18%
Net pension liability—ending (a) – (b)	\$ 12,664	\$ 12,154	\$ 12,502	\$ 13,490	\$ 14,909	\$ 15,290	\$ 16,215	\$ 16,874	\$ 17,305	\$ 17,951
Plan fiduciary net position as a percentage of the total pension liability	223.25%	251.10%	62.15%	115.67%	125.29%	157.43%	80.83%	114.99%	118.51%	37.28%
Estimated covered payroll										
Net pension liability as a percentage of estimated covered payroll										

Platte River Power Authority
Defined benefit pension plan
Required supplementary information
Schedule of employer contributions

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Actuarially determined contribution	\$ 6,041	\$ 4,333	\$ 4,569	\$ 7,593	\$ 3,649	\$ 4,578	\$ 6,220	\$ 2,912	\$ 3,302	\$ 3,905
Contribution in relation to the actuarially determined contribution	6,041	4,333	4,569	7,593	3,649	4,578	6,220	2,912	3,302	3,905
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Estimated covered payroll	\$12,664	\$12,154	\$12,502	\$13,490	\$14,909	\$15,290	\$16,215	\$16,874	\$17,305	\$17,951
Contributions as a percentage of covered payroll	47.70%	35.65%	36.55%	56.29%	24.48%	29.94%	38.36%	17.26%	19.08%	21.75%

Notes to schedule

Valuation Date:

Actuarially determined contribution rates are calculated as of January 1, two years prior to the end of the calendar year in which contributions are reported.

Methods and assumptions used to determine contribution rates:

Actuarial cost method Frozen initial liability, entry age normal
Amortization method 5-year, level dollar, open period
Asset valuation method 4-year smoothed market
Salary increases 3.2%, 10 year average
Increases in retiree benefits -- in payment If benefits commenced prior to 1/1/92, 2.25% for 2015-2023 and 3% for 2014. If benefits commenced after 12/31/1991, 1.5% for 2015-2023 and 2% for 2014.
Investment rate of return 7.5% for 2016 - 2023; 8% for 2014 - 2015

Platte River Power Authority
Defined benefit pension plan
Required supplementary information
Schedule of investment returns

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Annual money-weighted rate of return, net of investment expense	9.8%	(10.3%)	14.0%	6.6%	13.5%	(3.1%)	12.0%	8.5%	(0.7%)	5.4%

Platte River Power Authority
Supplementary information
Budgetary comparison schedule

	Year ended Dec. 31, 2023		
	Budget ⁽¹⁾	Actual	Variance
	<i>(in thousands)</i>		
Revenues			
Operating revenues			
Sales to owner communities	\$ 224,082	\$ 217,735	\$ (6,347)
Sales for resale and other	74,638	71,011	(3,627)
Total operating revenues	298,720	288,746	(9,974)
Other revenues			
Interest income ⁽²⁾	5,978	7,789	1,811
Other income	301	318	17
Total other revenues	6,279	8,107	1,828
Total revenues	\$ 304,999	\$ 296,853	\$ (8,146)
Expenditures			
Operating expenses ⁽³⁾			
Purchased power	\$ 55,115	\$ 61,730	\$ (6,615)
Fuel	62,676	45,142	17,534
Production	54,770	58,307	(3,537)
Transmission	20,254	19,348	906
Administrative and general	31,508	31,714	(206)
Distributed energy resources	13,789	10,131	3,658
Total operating expenses	238,112	226,372	11,740
Capital additions			
Production	14,668	11,758	2,910
Transmission	14,953	7,484	7,469
General	13,048	6,650	6,398
Asset retirement obligations	52	52	-
Total capital additions	42,721	25,944	16,777
Debt service expenditures ⁽⁴⁾			
Principal	12,888	12,888	-
Interest expense	5,239	5,239	-
Total debt service expenditures	18,127	18,127	-
Total expenditures	\$ 298,960	\$ 270,443	\$ 28,517
Contingency appropriation	51,656	-	51,656
Total expenditures and contingency	\$ 350,616	\$ 270,443	\$ 80,173
Revenues less expenditures and contingency	\$ (45,617)	\$ 26,410	\$ 72,027

⁽¹⁾ Reflects \$344,000 transfer of budget-appropriated funds from contingency appropriation to debt service expenditures.

⁽²⁾ Interest income excludes unrealized investment holding gains and losses.

⁽³⁾ Operating expenses do not include depreciation and other nonappropriated expenses.

⁽⁴⁾ Debt service expenditures include monthly principal and interest funding for power revenue bonds and lease and subscription liabilities.



Platte River Power Authority

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Memorandum

Date: 4/17/2024

To: Board of directors

From: Jason Frisbie, general manager and chief executive officer
Raj Singam Setti, chief operating officer, innovation and resource strategy integration
Bryce Brady, manager, distributed energy solutions

Subject: **Evolution of distributed energy solutions**

The ongoing clean energy transformation requires Platte River and the owner communities to connect with customers in new and innovative ways by leveraging its past experiences and partnerships to power the future.

Since 2014, the Efficiency Works™ customer energy programs have focused on energy efficiency solutions for customers. However, over the past few years, significant changes in customer behavior and the need to develop a virtual power plant that requires flexible, dispatchable load to support reliability have called for the transformation of distributed energy solution programs.

This presentation will provide insights into some of the transformative changes that are supporting initiatives beyond energy efficiency, such as carbon reduction, equity, building electrification, and electric vehicles. The evolution of distributed energy solutions aims to support customers by being a trusted resource, providing guidance and resources that enable effective energy use across the technology spectrum of distributed energy resources.

The presentation will also provide an overview of the changing customer needs from energy programs. This presentation is for informational and purposes only and does not require board action.



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Memorandum

Date: 4/17/2024

To: Board of directors

From: Jason Frisbie, general manager and chief executive officer
Raj Singam Setti, chief operating officer, innovation and resource strategy integration
Paul Davis, manager, distributed energy resources

Subject: **VPP series: Virtual power plant**

The March 2024 board packet included a whitepaper titled “Achieving dispatchable capacity with virtual power plants.”. The whitepaper describes what a virtual power plant (VPP) is and how it can provide some of the dispatchable capacity required to support a reliable, financially sustainable, decarbonized electric system. The whitepaper also describes collaborative planning completed by Platte River and the owner communities with a roadmap for implementing the VPP.

During the April board meeting, staff will present and answer questions about the VPP whitepaper and plans to develop a VPP.

Included in the board packet is a draft resolution supporting development of a VPP. Staff will ask the board to approve the resolution at the May board meeting. This presentation is for informational purposes only and does not require board action.

Attachment

- Resolution of support for a virtual power plant

RESOLUTION NO. xx-24

Background

- A. In the years since its board of directors adopted the 2018 Resource Diversification Policy, Platte River Power Authority (Platte River) has taken many steps to advance the Resource Diversification Policy goals, including adding new renewable resources and battery energy storage systems, joining a real-time energy dispatch market, committing to join a full regional transmission organization by 2026, and collaborating with our owner communities to lay the foundations for a virtual power plant.
- B. Dispatchable capacity is essential to maintaining reliability as intermittent renewable resources on Platte River's system increase. Dispatchable capacity has three components—energy storage, flexible combustion turbine technology (which is mature but has long lead times for permitting and construction), and virtual power plant capabilities (which are in early stages and must continue to advance).
- C. Virtual power plants consist of integrated and aggregated distributed energy resources (DERs) that can be controlled through advanced software to provide capacity and energy services to the electric grid, similar to conventional power plants. Utility customers who are willing to offer flexible DERs to grid operators can receive compensation for providing these services.
- D. Developing and operating an effective virtual power plant is a multiyear, ongoing process that requires sustained, coordinated efforts among Platte River and our owner communities to integrate enabling systems, programs, and technology solutions to enroll and operate flexible, customer-owned DERs. Required functions include interconnection, program management, enrollment and device registration, data management, telecom and telemetry, control and dispatch, visibility, forecasting, network power flow analysis, measurement and verification, and settlements.
- E. Collaboration among Platte River and our owner communities will be critical for enabling systems needed to control the virtual power plant (such as DER management systems), programs to inform and enroll customers and support their participation, and distribution-side capabilities such as customer information systems, advanced metering infrastructure, meter data management systems and a distribution network model to support flow analysis for DER assets.

RESOLUTION NO. xx-24

- F. As virtual power plant technology and programs evolve and mature, helping to further our shared decarbonization goals, Platte River and our owner communities will need to regularly update existing systems, policies, and procedures (and develop new ones when needed) so that flexible DERs can continue to support the reliability and financial sustainability of our collective electric systems.

Resolution

By this resolution, the board of directors of Platte River Power Authority formally expresses support for:

- (1) collaborative efforts among Platte River and our owner communities to implement the actions, programs, and systems necessary to develop and operate an effective virtual power plant, and
- (2) Platte River to budget for and fund activities to build, operate, maintain, and keep current shared infrastructure and organizational functions necessary to successfully deploy and integrate virtual power plant capabilities that will benefit our collective utility systems and further our Resource Diversification Policy goals.

In addition, the board encourages all owner communities and Platte River to proactively seek opportunities to centralize virtual power plant infrastructure, systems, programs, data, and other functions at Platte River when economies of scale can lower total costs incurred and improve integration and interoperability.

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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Memorandum

Date: 4/17/2024

To: Board of directors

From: Jason Frisbie, general manager and chief executive officer
Melie Vincent, chief operating officer, generation, transmission and markets
Heather Banks, senior manager, fuels and water
Chris Fields, senior fuels and water resources engineer

Subject: **Water and Chimney Hollow Reservoir update**

Winter snowpack levels and spring precipitation are fundamental to upcoming water supply outlook. As Colorado welcomed spring, March storms significantly boosted snowpack and precipitation numbers across most major river basins.

Chimney Hollow Reservoir will be the key element supporting the long-term, dependable delivery of Platte River's Windy Gap water (which is essential for reliable operations). Construction of Chimney Hollow Reservoir is advancing well and is now more than halfway through a four-year construction window.

Platte River staff will provide an update on current water supply conditions and review construction progress at Chimney Hollow Reservoir at the April board meeting.

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



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Memorandum

Date: 4/17/2024

To: Board of directors

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

Subject: **IRP community engagement update**

This presentation will provide an update on the series of community presentations that Platte River has provided to our owner communities to tell the Platte River story and an update on upcoming community and city council presentations to continue the strategy for developing overall community engagement.

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

Memorandum

Date: 4/17/2024

To: Board of directors

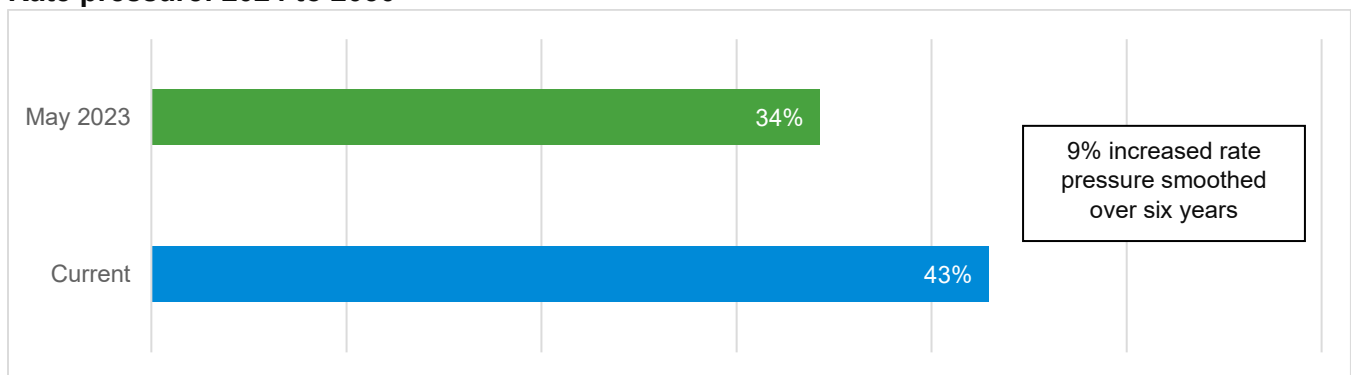
From: Jason Frisbie, general manager and chief executive officer
Dave Smalley, chief financial officer and deputy general manager
Shelley Nywall, director of finance
Wade Hancock, senior manager, financial planning and rates

Subject: Wholesale rate projections

As Platte River pursues the board-approved Resource Diversification Policy, we continue to evaluate our rate strategy to maintain financial sustainability. Platte River's energy supply costs will increase as we transition from a low-cost base-load power supply to renewable energy and lower carbon emitting dispatchable resources to maintain reliability.

In May 2023, staff communicated to the board projected annual 5% average wholesale rate increases from 2024 through 2030. Updated resource planning and cost assumptions show increased long-term rate pressure. We now project 6.3% annual rate increases between 2025 -2029 and 5.3% in 2030. The projections include the net impact of the deferred revenue and expense accounting policy. The purpose of the policy is to help reduce rate pressure and achieve rate smoothing by establishing a mechanism to defer revenues earned and expenses incurred in one period to be recognized in one or more future periods. Compared to 2024, projected 2030 average wholesale rates are 9% higher than previous projections.

Rate pressure: 2024 to 2030



The higher 2030 average wholesale rate and the change in the annual rate increase from 5% to 6.3% are due to projected lower revenues and higher expenses between now and 2030.

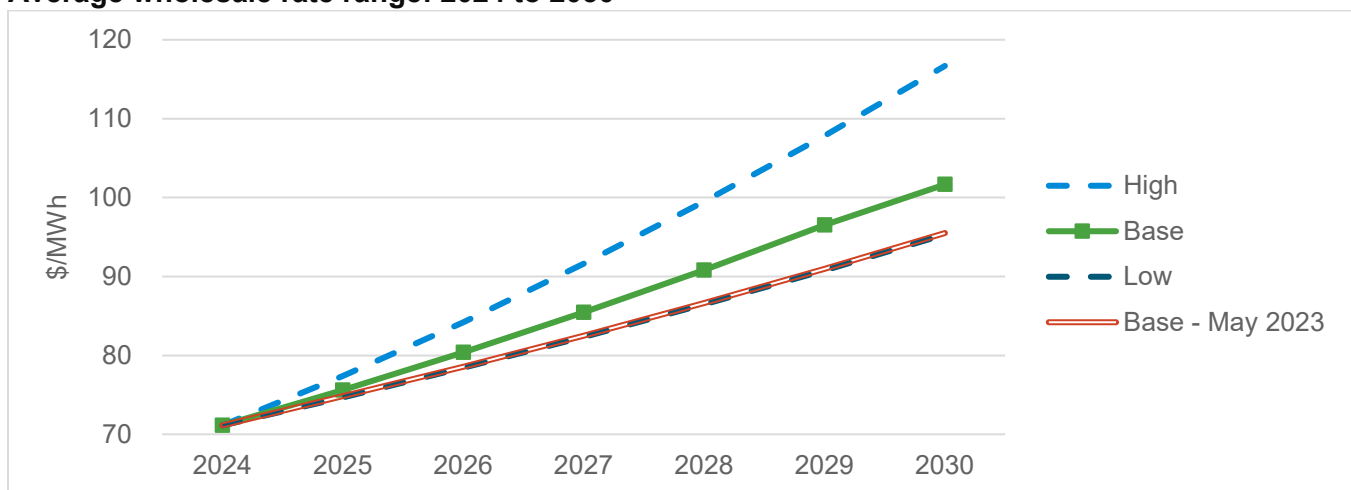
Changes in projected revenues are primarily due to lower surplus energy sales and lower owner community loads. Margin from surplus energy sales reduces Platte River's owner community revenue requirement. Updated projections include lower market prices, which decrease surplus sales revenue and associated margin. Partially offsetting the lower sales are increased transmission revenue projections. While long-term load forecasts show expected future owner community load growth (reflecting the net impacts of building electrification, electric vehicle penetration and distributed energy resources), the projected loads are lower relative to the previous forecast, which increase the average wholesale rate.

Changes in projected expenses are due primarily to increased capital investment and operating costs. Capital investment increases include assets to firm and deliver noncarbon generation resources and a distributed energy resources management system. Higher capital investments will require Platte River to issue more debt, with higher annual debt service and coverage requirements. Platte River projects greater expense in 2030 for purchased power, fuel, production operations and maintenance, administrative and general, and distributed energy resources. These are partially offset by decreased transmission operations and maintenance expense. In addition, projected prices under renewable purchase power agreements are higher than previous estimates.

We can partially offset this increased rate pressure with additional deferred revenues.

Staff assessed multiple rate cases and sensitivities to develop our recommended rate trajectory, based on the lowest base case projections that achieve Strategic Financial Plan metrics and applying our deferred revenue and expense accounting policy. Staff analyzed varying market prices, future emissions expenses, and other cost assumptions to create a range of rate outcomes from 5.0% to 9.0% annual increases through 2030, as shown in the chart below. Key assumptions, including market prices, remain uncertain and can significantly alter results. The proposed 6.3% rate path is based on current assumptions and subject to future changes as uncertain conditions evolve.

Average wholesale rate range: 2024 to 2030



Schedule

In May, staff anticipates recommending for 2025 a 6.3% average wholesale rate increase, to \$75.61/MWh (from \$71.13/MWh in the 2024 Strategic Budget).

Staff will provide a whitepaper that will further explain increasing rate pressure, as well as the proposed 2025 Firm Power Service tariff charges and the Standard Offer Energy Purchase tariff avoided energy rate. We provide estimated charges ahead of Platte River's budget process to accommodate the owner communities' budget preparation and rate development schedules.

At the May board meeting, staff will provide an accompanying presentation of the whitepaper material and will request the board's direction to implement a 6.3% average wholesale rate increase in the 2025 Strategic Budget.

Schedule

May	Ten-year average wholesale rate projections and Firm Power Service charges	Whitepaper and presentation including proposed 2025 tariff charges
	Wholesale Transmission Service Tariff (Tariff WT-25)	Board approval
September	Draft 2025 Rate Tariff Schedules	Update schedules with 2025 tariff language and charges
October	2025 Rate Tariff Schedules	Board approval



Platte River

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Memorandum

Date: 4/17/2024

To: Board of directors

From: Jason Frisbie, general manager and chief executive officer
Raj Singam Setti, chief operating officer, innovation and resource strategy integration
Eddie Gutiérrez, chief strategy officer

Subject: **DRAFT 2024 Integrated Resource Plan**

We are pleased to present the draft of the 2024 Integrated Resource Plan (IRP). This draft document includes sections on the progress and market dynamics observed since the 2020 IRP, public engagement, load forecasting, reliability studies, and portfolio design and methodology, which are pivotal to Platte River's commitment to a clean and reliable energy future.

The document is now entering its final phase, culminating in a formal presentation to the board scheduled for May. The May board package will include the full 2024 IRP report in its final design form. No immediate action is required during the April board meeting.

Staff will ask the board to approve the 2024 IRP during the July board meeting.



Platte River
Power Authority

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DRAFT 2024 Integrated Resource Plan

April 2024



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Glossary

Term or acronym	Definition
IRP	Integrated resource plan or integrated resource planning process
RDP	Resource Diversification Policy
DER	Distributed energy resources
WAPA	Western Area Power Administration
PRM	Planning reserve margin
MW	Megawatt
WMEG	Western Markets Exploratory Group
RP22	Platte River's Resource Plan 2022
JDA	Joint dispatch agreement
WEIS	Western Energy Imbalance Service market
SPP	Southwest Power Pool
EV	Electric vehicle
RFP	Request for proposal
RTO West	Regional Transmission Organization West
GW	Gigawatt
PPA	Power purchase agreement
CPI	Consumer Price Index
CDPHE	Colorado Department of Public Health and Environment
EPA	U.S. Environmental Protection Agency
VPP	Virtual power plant
HVAC	Heating, ventilation and air conditioning
NEVI	National Electric Vehicle Infrastructure Formula Program, a federal grant program established under the Infrastructure Investment and Jobs act to provide states with funding to expand availability of EV fast charging infrastructure on transportation corridors
MWh	Megawatt-hours
DG	Distributed generation
ITC	Federal solar tax credit
NEM	Net energy metering
TOU	Time of use
NREL	National Renewable Energy Laboratory

GWh	Gigawatt-hour
BE	Beneficial building electrification
ELCC	Effective Load Carrying Capability
DR	Demand response
LOLE	Loss of Load Expectation
ODTY	One Day in Ten Years
EPRI	Electric Power Research Institute
WECC	Western Electricity Coordination Council
LOLH	Loss of Load Hours
MISO	Midwest Independent System Operator
ERCOT	Electric Reliability Council of Texas

DRAFT

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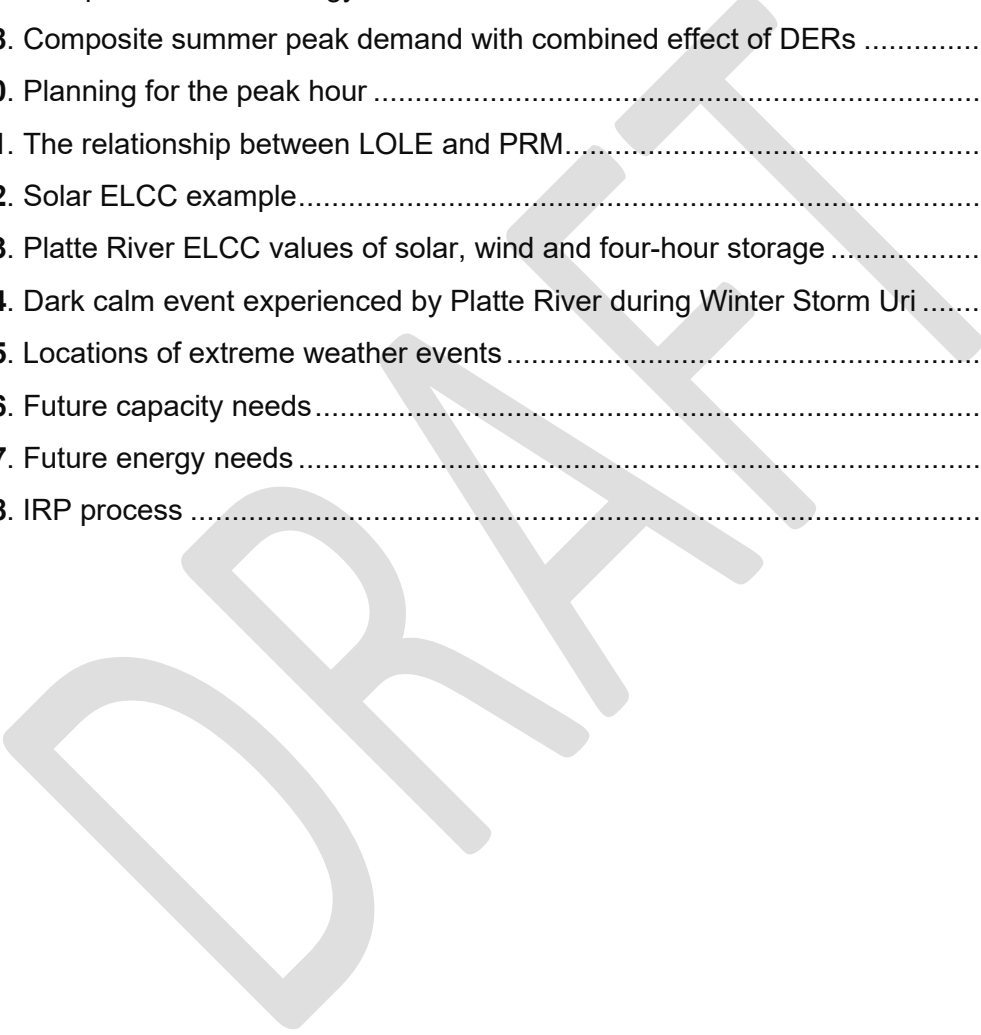
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1. Executive summary

Platte River Power Authority's 2024 Integrated Resource Plan (IRP) presents a comprehensive strategy aimed at reducing carbon emissions for the communities we serve in Northern Colorado while upholding our foundational pillars of reliability, financial sustainability and environmental responsibility. Developed amidst unprecedented market changes, the IRP addresses the challenges of long-range planning by evaluating various decarbonization scenarios and incorporating feedback from our board of directors, customers and stakeholders.

The IRP explores a diverse range of resource options for continuing our work toward the Resource Diversification Policy (RDP) goal, including renewable energy, battery energy storage, distributed generation, energy efficiency and demand response. The plan also explores how to firm an energy portfolio composed primarily of weather-dependent, renewable resources with the dispatchable capacity needed to maintain reliability.

Given the inherent uncertainties in long-term planning, the IRP is based on projections of future electricity demand, costs of renewable resources, advancements in technology, and evolving market and regulatory environments. Acknowledging that these factors will change, the plan is intended to serve as a roadmap, allowing for adjustments and modifications to optimally reflect changing market conditions and continue the implementation of our decarbonization strategy.

This IRP informs Platte River's next steps toward achieving a low-carbon economy, primarily by illustrating how we will reduce carbon emissions by at least 80% below 2005 levels by 2030 to meet state goals, and by supporting our board-adopted RDP.

Outreach and engagement

Building on what we learned from the last IRP, we expanded our outreach and engagement efforts considerably for this 2024 IRP.

We partnered with our owner communities to help educate customers about the relationship between Platte River and their cities. Over a six-month period, we presented our IRP process and updates to numerous community organizations, stakeholder groups and city leadership. These presentations were coupled with two engagement sessions hosted by Platte River to share IRP milestones, and supported by digital resources including a dedicated website, email address and robust database of frequently asked questions and answers.

The feedback we collected between June and November 2023 helped inform the development of the portfolios.

Portfolios

The IRP is designed to align Platte River's future portfolio with our continued work toward the RDP, with a primary focus on reducing carbon while maintaining reliability. By 2030, all portfolios will emit some carbon due to the limited availability of commercially viable noncarbon dispatchable options.

After 2030, no new thermal generation is modeled and long-duration energy storage is planned. Carbon pricing was incorporated in the evaluation of each portfolio.

No new carbon (Portfolio 1): Focuses on wind, solar and energy storage, testing the viability of excluding new thermal generation to meet demand and reliability.

Minimal new carbon (Portfolio 2): Adds a modest amount of new thermal generation (80 megawatts) to support reliability and evaluates the potential of emerging technologies.

Carbon-imposed cost (Portfolio 3): Adds a carbon cost to discourage new carbon-emitting resource additions to the resource mix.

Additional new carbon (Portfolio 4): Presents a least-cost portfolio without specific carbon constraints, prioritizing cost and reliability.

Optimal new carbon (Portfolio 5): Balances cost, reliability and carbon considerations between the additional new carbon and carbon-imposed cost portfolios.

With a substantial increase in external risks for executing the clean energy transition, Platte River has developed a risk-adjusted plan addressing the challenges associated with integrating renewable resources as modeled. The primary risks are supply chain issues; engineering, procurement and construction delays; regulatory uncertainty on pricing; the mismatch in timing between customer demand and the availability of renewable generation; and market price volatility. This plan also allows for adjustments to market prices, emerging technologies and regulatory developments.

Conclusion

We are pleased to present you with the third iteration of the resource plan since our board passed the RDP. While we have made significant progress diversifying our portfolio since 2018 - adding renewable energy to serve about one third of the owner communities energy needs on an annual basis - we will immediately begin working on the fourth iteration as factors continue to change and evolve around us.

As you review our latest plan, we hope your takeaways include a greater understanding of the complexity and challenges of replacing coal with renewables, firming up the intermittency of renewables with dispatchable resources, and doing right by the owner communities and our employees while pursuing one of the most accelerated decarbonization goals in the country.

This clean energy transition is a journey that will continuously evolve with changing circumstances and advancements in technology. Platte River is committed to making the transition on behalf of the owner communities to create a more diversified, low-carbon energy portfolio for a sustainable future.

2. Introduction

Platte River Power Authority's 2024 IRP is a living document that guides and informs our efforts to supply reliable, environmentally responsible and financially sustainable energy and services to our owner communities while we work toward a noncarbon energy future. Planning strategies are included throughout this document highlighting how Platte River will address high-level policy goals while incorporating staff recommendations and research in addition to third-party studies, legislative, regulatory, market and technology changes.

Platte River's IRP is developed with community involvement from our owner communities and their customers. The board of directors approved the previous IRP document in 2020. Platte River is required to update the IRP and file it with the Western Area Power Administration (WAPA) every five years.

The report is organized as follows:

- The remainder of this section provides a general overview, background and history of Platte River, illustrating the foundational pillars and board-adopted policy that guide our planning activities and decisions.
- While IRPs are common among electric utilities, Platte River's approach is unique and Chapter 3 describes our process and timeline, the progress we made since the last IRP, and the industry challenges we are facing, including persistent impacts from the COVID-19 pandemic. Chapter 4 further highlights the variables and challenges Platte River faces as we pursue a clean, reliable energy future.
- The majority of the report is focused on providing technical background data, assumptions and methodology that influence and shape our IRP, including demand, impacts of distributed energy resources (DER) and electrification, extreme weather events and more. Chapter 6 of this report details the IRP design including the studies, portfolios and our modeling methodology.
- The modeling results are shown in Chapter 7 and the resulting action plan from this IRP is highlighted in Chapter 8.

Public power utilities

Platte River is one of more than 2,000 community-owned electric utilities in the U.S. They are operated by local governments and provide their owner communities with reliable, responsive, not-for-profit electric service. Over 49 million U.S. citizens depend on public power.

Public utilities like Platte River advocate for policies that:

- Provide reliable electrical services at reasonable costs
- Advance diversity and equity in the electric utility industry
- Promote effective competition in the wholesale electricity marketplace
- Protect the environment and the health and safety of electricity consumers
- Safeguard the ability of communities to provide infrastructure services that their consumers require

2.1 Platte River overview

Until the mid-1960s, many Colorado municipal utilities separately received wholesale electric service from the Bureau of Reclamation's system of hydroelectric generating facilities throughout the Colorado and Missouri River basins. In late 1965, 31 municipal utilities created the Platte River Municipal Power Association to manage and protect their collective hydropower rights, particularly due to the Bureau's announcement that it could not meet growing energy needs beyond the mid-1970s and no new (hydroelectric) energy projects would be built.

In 1973, four of the original 31 municipal utilities – Estes Park, Fort Collins, Longmont and Loveland – collaborated to pass legislation to form the Platte River Power Authority, a not-for-profit public power energy provider that would provide its owner communities with long-term energy above the limited amount of federal hydropower allotted. Following voter approval of a constitutional amendment, Platte River reformed in 1975 as a joint action agency, empowered to acquire assets to better serve its owner communities. These assets are discussed in greater detail throughout this document.

Following the passage of 1975 legislation, the four communities executed the organic contract establishing Platte River as a political subdivision of the state of Colorado. The organic contract is an agreement between the four owner communities that sets forth Platte River's purposes and governance structure.

Platte River is governed by an eight-person board of directors. The board includes the mayor (or a designee of the mayor) of each owner community and four other directors who are appointed to four-year staggered terms by the governing bodies of the owner communities. The board meets nine times per calendar year to establish and guide policy for the organization.

2.1.1 Foundational pillars

Platte River has long been guided by three foundational pillars that drive its mission and are among the requirements for achieving the RDP. Together with our vision and values, these pillars inform all Platte River activities and serve as the foundation for Platte River's decarbonization efforts.

- **Reliability:** providing a highly reliable supply of power to our owner communities
- **Environmental responsibility:** achieving noncarbon energy goals and protecting our natural resources
- **Financial sustainability:** managing financial risks, providing stable, competitive wholesale rates that generate adequate cash flow and maintain access to low-cost capital

2.1.2 Vision, mission and values

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.

Environmental leadership

Platte River continually demonstrates a strong commitment to environmental responsibility while safely providing reliable and financially sustainable energy and services to the four owner communities. Below are examples of our environmental leadership activities:

- Incorporated state-of-the-art emissions controls on the coal-fired Rawhide Unit 1, consistently positioned among the lowest SO₂-emitting coal-fired plants in the country, according to data available from the U.S. Environmental Protection Agency (EPA).
- Became the first utility in Colorado to offer wind energy to the owner communities through the Medicine Bow Wind Project in 1998.
- Began commercial operation of 30 MW of solar at the Rawhide Energy Station in 2016. Platte River later added an additional 22 MW of solar to the area, with a 2 megawatt-hour (MWh) battery storage facility.
- Completed construction of a new headquarters campus in Fort Collins in 2020 that is designed to serve as an example of energy efficiency. The campus received Gold LEED Certification by the U.S. Green Building Council in 2023.
- Adopted the Resource Diversification Policy in 2018, becoming one of the first utilities in Colorado and the country to commit to working toward a 100% noncarbon energy mix by 2030.

2.2 Resource Diversification Policy

In 2018, Platte River’s Board of Directors passed a landmark policy (Figure 1) that directs the general manager/CEO to proactively work toward the goal of reaching a 100% noncarbon energy resource mix by 2030 while maintaining the foundational pillars. The policy also lists several advancements that must occur to meet the goal.

Purpose: This policy is established to provide guidance for resource planning, portfolio diversification and carbon reduction.

Policy: The board of directors (the board) directs the general manager/CEO to proactively work toward the goal of reaching a 100% noncarbon resource mix by 2030, while maintaining Platte River’s three pillars of providing reliable, environmentally responsible and financially sustainable electricity and services.

The board recognizes the following advancements must occur in the near term to achieve the 2030 goal and to successfully maintain Platte River’s three pillars:

- An organized regional market must exist with Platte River as an active participant
- Battery storage performance must mature and the costs must decline
- Utilization of storage solutions to include thermal, heat, water and end user available storage
- Transmission and distribution infrastructure investment must be increased
- Transmission and distribution delivery systems must be more fully integrated
- Improved distributed generation resource performance
- Technology and capabilities of grid management systems must advance and improve
- Advanced capabilities and use of active end user management systems
- Generation, transmission and distribution rate structures must facilitate systems integration

Resource planning is an ongoing process and Platte River continuously evaluates opportunities to add noncarbon resources. Platte River reviews its generation portfolio annually as part of the budgeting and planning process. This process sets the foundation for developing an IRP submitted to the Western Area Power Administration every five years as required. The resource planning process includes evaluating the progress of energy storage, distributed power sources and new technologies. As a leader in the utility industry in Colorado for many years, Platte River will continue to move forward to meet the resource needs and wants of the four owner communities. The board recognizes the integration of noncarbon resources and new technologies will shape the future of Platte River’s and the four owner communities’ energy supply.

Figure 1. Resource Diversification Policy

3. IRP process overview

3.1 What is an IRP?

A utility IRP¹ compares the supply-side resources (generated or purchased by the utility) with the demand-side resources (contributed by customers, including DER) and selects an optimal set of resources to meet future needs while meeting the regulatory requirements and policy goals at the highest level of reliability.

Key components of an IRP include:

- Customers' future electricity needs (or load forecast)
- Future costs and availability of supply and demand side resources
- Regulatory and policy requirements including environmental considerations
- Community engagement plan to hear stakeholder feedback and questions
- An assessment of future technologies

These components and other inputs are used in a complex planning and optimization model to develop a 10-to-20-year roadmap of investments to ensure reliable supplies during the planning horizon. An IRP model optimally selects from demand- and supply-side resources while meeting the planning reserve margin (PRM)² or some other reliability criteria, to ensure adequate supply of electricity under all reasonably expected variations of weather, customer demand and generation resource availability.

A key component of an IRP is an action plan that provides specific actions and activities the utility plans to conduct during the next three to five years before developing the next IRP. An IRP is a snapshot in time while planning is an ongoing and dynamic process. An IRP acts as a roadmap or guide, while the actual investment decisions are made based on the best information available at the time of the decision.

3.2 Why do an IRP now?

Platte River's Board adopted the RDP³ in December 2018 to support the owner communities' clean energy goals. The policy directs Platte River's CEO to proactively work toward a 100% noncarbon energy mix by 2030, without compromising Platte River's foundational pillars of reliability, environmental responsibility and financial sustainability.

¹ In this document the acronym IRP is used in two different ways, an integrated resource plan or an integrated resource planning process

² PRM is defined as the additional generating capacity available to meet a future year peak demand. It is expressed as a percentage of peak demand. Historically, Platte River has maintained a 15% PRM which means if the load forecast expects a peak demand of 100 MW in a future year, Platte River would build or acquire 115 MW of generation or DER capacity to reliably meet that peak demand.

³ See <https://www.prsa.org/wp-content/uploads/2018/12/12.06.2018-Resource-Diversification-Policy.pdf>

In 2020, Platte River developed an IRP that outlined several paths to work toward this goal. The plan’s recommendations were developed before the global COVID-19 pandemic, which put many things on hold for two years, including construction of renewable energy projects. The pandemic triggered widespread supply chain issues and contributed to increased costs for labor, capital, equipment and new resources, which resulted in multiple rounds of contract renegotiations for renewable projects. State and federal clean energy policies also created intense competition for renewable resource projects and related equipment and staffing.

Meanwhile, Winter Storm Uri in February 2021 served as a wakeup call about the increased frequency of extreme weather events and the necessity of power supply reliability. While the emergence of new technologies and the passage of the Inflation Reduction Act are positive developments, the industry continues to face inflationary pressures and supply chain challenges.

This 2024 IRP captures these developments, re-affirms our commitment to the RDP and charts a path toward that goal. While Platte River is not required to file an IRP with WAPA before 2025, this IRP was expedited to support the accelerated integration of renewable resources. Assumptions for this IRP were finalized in summer 2023. As such, this IRP provides portfolios or snapshots of the future viewed from 2023. As various decision drivers and technologies evolve, this IRP will need an update. Platte River staff will continue to update its plans and provide the next IRP in 2028.

3.2.1 IRP timeline

The 2024 IRP process started in 2022 with commissioning pre-IRP studies from external consultants and continued through early 2024. Figure 2 illustrates a high-level timeline and list of major activities. Community engagement is an important part of the IRP process and is highlighted in yellow.

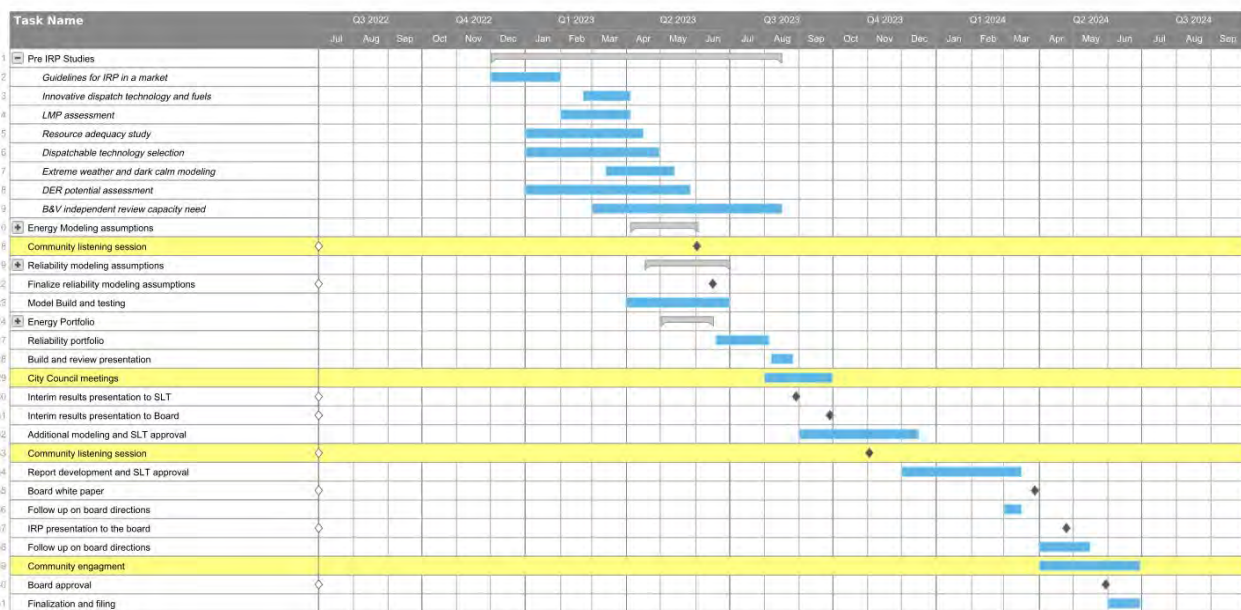


Figure 2. Timeline of 2024 Integrated Resource Plan activities and milestones

3.3 Progress since the last IRP

Following the submission of the 2020 IRP, Platte River continued working toward achieving the RDP, acquiring more renewable generation, expanding efforts to join a regional market and working with the owner communities to expand DERs. Specific annual achievements are summarized below.

2020

- Began receiving energy from the Roundhouse Wind Energy Center, a 225-megawatt (MW), 80-turbine wind farm. Additionally, Platte River purchased the 230-kilovolt generator outlet line from the project, securing energy delivery to the owner communities throughout the 22-year power purchase agreement.
- Launched the DER strategy committee with staff members from Platte River and the owner communities. The DER strategy committee explores how to integrate systems that will better balance supply and demand as we transition our energy portfolio.
- Finalized closure dates for remaining coal units in Platte River's portfolio. Rawhide Unit 1 will close at the end of 2029, 16 years before its planned retirement. Craig Unit 2 will close by September 2028. (The 2025 closure date for Craig Unit 1 was announced in 2016.)
- Signed a power purchase agreement to build Platte River's largest and lowest cost solar project, which when operational will provide up to 150 MW of power.

2021

- Completed installation of the 22 MW Rawhide Prairie Solar project, including a 2 megawatt-hour battery.
- Together with 13 western utilities, joined to form the Western Markets Exploratory Group (WMEG) to identify potential market solutions. WMEG began exploring the potential for a staged approach to new market services, including day-ahead energy sales, transmission system expansion and other power supply and grid solutions consistent with existing state regulations.
- To foster innovation necessary to achieve a noncarbon electric system that includes integrated DERs, Platte River created the transition and integration division, combining DER and energy solutions with resource planning and information and operations technology departments.
- Together with the owner communities, developed a comprehensive DER strategy providing a path forward to jointly attain the full value of DERs to the benefit of customers and the grid.
- To increase positive community impacts, the Efficiency Works Business team launched the Community Efficiency Grant to provide additional financial support for energy upgrades in businesses and multifamily properties serving the income-qualified community.
- Issued a request for proposals (RFP) to competitively procure up to 250 MW of solar generation and co-located battery resources connected at the distribution or transmission level.

2022

- Modeling and resource planning efforts determined the need for an accelerated timeline for new noncarbon energy resources to maintain the reliability and financial sustainability of the resource portfolio ahead of retiring coal-fired generation resources.
- Confirmed the purchase of 150 MW of solar energy from the vendor for the Black Hollow Solar project, restating an agreement originally signed in 2020. Logistical challenges delayed the project, now scheduled to begin commercial operation in 2025.
- Analyzed and evaluated large-scale four-hour storage and longer duration energy storage and evaluated adding an additional wind project to Platte River's portfolio. Developed a revised portfolio (RP22) which added about 105 MW more capacity by 2030 than the 2020 IRP. RP22 called for 450 MW of solar, 200 MW of wind, 200 MW of 4-hour storage and 166 MW dispatchable thermal generation.
- Together with the joint dispatch agreement (JDA) partners, Platte River announced plans to join the existing Western Energy Imbalance Service (WEIS) operated by the Southwest Power Pool (SPP). The WEIS replaces the JDA and allows Platte River to gain experience operating in a larger imbalance market. Investments began in 2022 to prepare for entry into the WEIS.
- Launched an interactive electric vehicle (EV) shopper guide web site with information on currently available EVs, including cost, performance specifications and available incentives, as well as a calculator that allows visitors to compare the total cost of ownership of EVs in comparison with each other and compared with conventional vehicles.

2023

- Issued a request for proposals to competitively procure 150-250 MW of wind generation. Responses to the request for proposal (RFP) were received late in 2023, with evaluation of the responses continuing in 2024.
- Began operating in the SPP WEIS market.
- Awarded a contract for battery storage facilities located in the owner communities. The projects' expected capacity will range from 20-25 MW, consisting of four-hour duration lithium-ion batteries.
- Expanded the EV website to offer EV Fleet Planning as a calculator tool for local fleet operators to develop plans to calculate the costs of fleet transitions.
- Enhanced program offerings through the partnership between Efficiency Works and Energy Outreach Colorado to actively engage with participants on more significant home upgrades including energy efficiency and building electrification, resulting in nearly \$1 million of investments to support the income-qualified residential upgrades in Platte River's owner communities.
- Expanded Efficiency Works programs to include multiple building electrification measures, supporting 359 heat pump installations with over \$1 million incentivizing customers to overcome financial hurdles and investing nearly \$10,000 training local contractors on building electrification.

- Actively supported over 100 customers upgrading their homes in the residential income-qualified segment with plans to grow supporting over 250 customers annually in future years.
- Embarked on a collaborative distributed energy storage initiative with the owner communities, with plans to deploy up to 25 MW of four-hour distributed energy storage across various system points, fostering heightened system reliability and cost-effectiveness of renewable energy integration.
- Announced plans to join the SPP Regional Transmission Organization West (RTO West) on April 1, 2026.
- Committed to advancing EV infrastructure by launching one of the highest incentives in the state of \$5,000 per public charging port, aiming to promote public charger hosting by local business and multifamily properties by offsetting some of the installation cost.

3.4 External developments since the 2020 IRP

3.4.1 Pandemic

The COVID-19 pandemic brought unprecedented challenges worldwide and the power sector was no exception. Immediately after the pandemic started, the economic slowdown resulted in electricity demand reduction and changing demand patterns. As economic activity slowly resumed, the electricity demand started coming back with residential demand increasing (compared to pre-pandemic levels) due to a significant increase in citizens working from home.

Supply chain slowdowns are among the pandemic's biggest impacts and are detailed in the next section. The pandemic also slowed down construction and new renewable project development due to reluctance of investors to commit capital amid market volatility and uncertainty about future energy demand.

As the world began adapting and recovering after the first few months of the pandemic, it prompted many governments to reevaluate energy policies and regulatory frameworks to address emerging challenges and support economic recovery efforts. Some jurisdictions introduced incentives to facilitate the development of renewable energy projects. The pandemic highlighted the importance of resilient and sustainable energy systems. Some countries committed to green recovery plans and climate mitigation efforts. This resulted in heightened interest in renewable generation to stimulate economic growth, create jobs and reduce carbon emissions. This accelerated the demand for solar, wind and energy storage systems. Significantly higher demand and sustained challenges with supply chains contributed to the cost of renewables and energy storage projects nearly doubling post pandemic.

3.4.2 Supply chain issues

The supply chains were badly impacted by factory shutdowns, component shortages, labor shortages and financial, economic, demand and policy uncertainty during the pandemic. While this slowed down the supply side of electricity, the demand side recovered quickly and in fact, significantly increased. Renewable energy project supply chains are global and reflect pressure of demand from all the countries. According to the International Energy Agency, the world added less

than 200 gigawatts (GW) of new renewable resources in 2019 and more than 440 GW in 2023⁴. Renewable supply chains may have recovered from pandemic-related stress but the huge surge in demand across the globe is increasing pressure. In the case of the U.S., the Inflation Reduction Act has significantly increased incentives to expand the domestic supply chain of renewable generation. This has added further strain on the supply chain as manufacturers are rushing to develop manufacturing in the US.

This supply chain pressure has directly impacted Platte River's resource procurement as well. For example, Platte River conducted an RFP in 2019 to add 100-200 MW of new solar capacity by 2023. The winning project, a 150 MW solar farm called Black Hollow Solar, is now expected to start commercial operation in 2025. Similar delay risks exist for projects being planned for 2026 and 2027 additions.

3.4.3 Renewable resource pricing

Due to supply chain issues and significant increases in demand, the prices for renewables have significantly increased since the last IRP. As shown in the chart below from Level Ten Energy,⁵ power purchase agreement (PPA) prices in the U.S. doubled by the end of 2023 compared to 2020 levels.

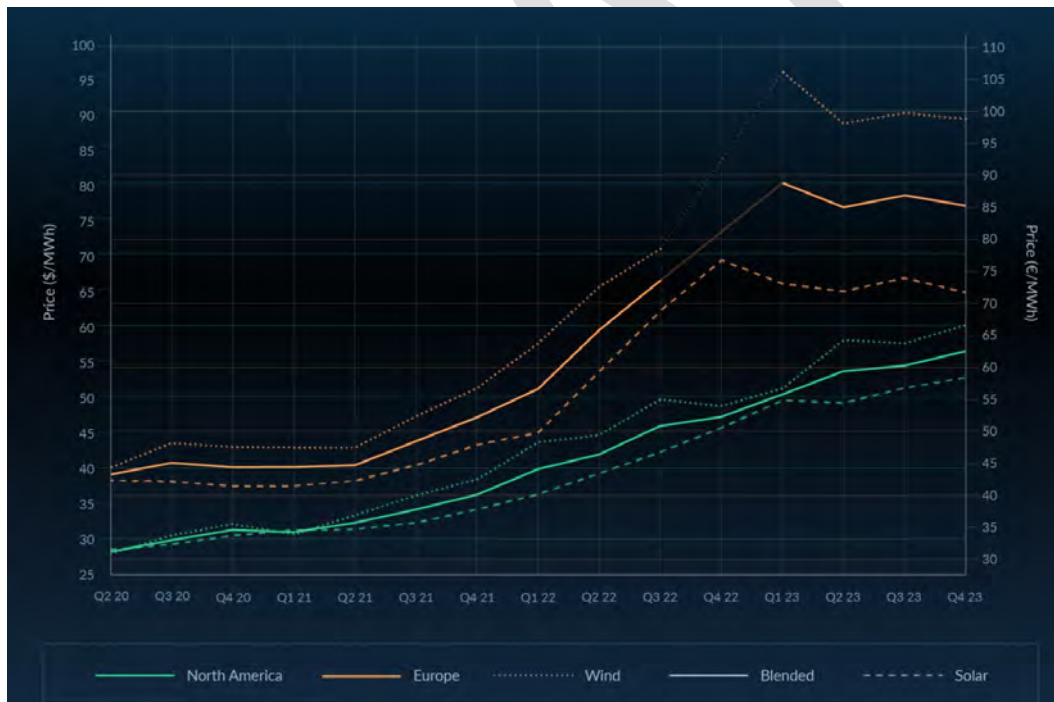


Figure 3. PPA prices in the U.S. between 2020 and 2023

⁴ <https://www.iea.org/reports/renewable-energy-market-update-june-2023/executive-summary>

⁵ <https://www.leveltenenergy.com/ppa>

Major drivers for this price increase are higher demand, higher cost of capital, higher inflation rates, higher transmission costs, higher risk premiums and some trade policy changes. These drivers are detailed below.

Higher demand: Consistent with the global increase in demand for renewable generation, demand in the U.S. has also increased, especially after the passage of the Inflation Reduction Act. According to the U.S. Energy Information Administration, the U.S. is expected to add 62.8 GW⁶ of new capacity in 2024 which is 55% more than the 40.4 GW added in 2023. This represents the highest level of annual additions since 2003.

From this new capacity, solar additions of 36.4 GW are double the 18.4 GW added in 2023. Expected 2024 battery storage additions of 14.3 GW will be more than double the 6.3 GW added in 2023. Wind additions are leveling off. This significant increase in demand, both domestically and globally, has put an upward pressure on prices.

Table 1. U.S. demand for renewable generation

	2023	2024
New capacity	40.4 GW	62.8 GW
Solar	18.4 GW	36.4 GW
Battery	6.3 GW	14.3 GW

Higher cost of capital: Most of the renewable projects built by third party developers and sold under long term PPAs are financed with up to 80% debt. Therefore, interest rates (especially long-term debt rates) have a significant impact on the PPA prices. U.S. long-term interest rates as measured by the yield on 10-year U.S. Treasury Securities have more than doubled in the past few years as shown by Figure 4 from the Federal Reserve's Economic Data⁷.

⁶ <https://www.eia.gov/todayinenergy/detail.php?id=61424>

⁷ <https://fred.stlouisfed.org/series/DGS10>

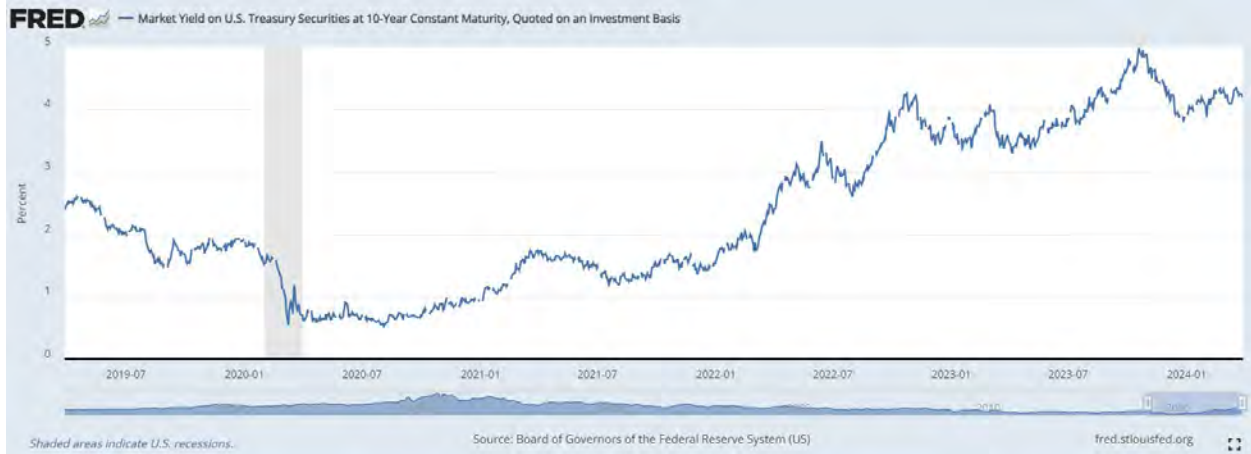


Figure 4. Market yield on U.S. Treasury securities at 10-year constant maturity, quoted on an investment basis

Corresponding to the 10-year Treasury Securities yield increases, the developer’s cost of capital for financing a project has approximately doubled over the last few years from 3-4% to over 7%. This increased cost of debt has significantly increased the carrying cost of projects, resulting in higher PPA prices for utilities.

Higher inflation: According to the U.S. Bureau of Labor Statistics, the Consumer Price Index (CPI) which is a general measure of inflation, increased 17% in the past three years (January 2021 to January 2024), almost three times higher than the prior three years period (January 2018 to January 2021) when it increased 6%. This increase in CPI has affected all sectors of the economy including the price of renewable generation. More specifically, labor costs have seen significant increases in the past few years as seen in Figure 5.

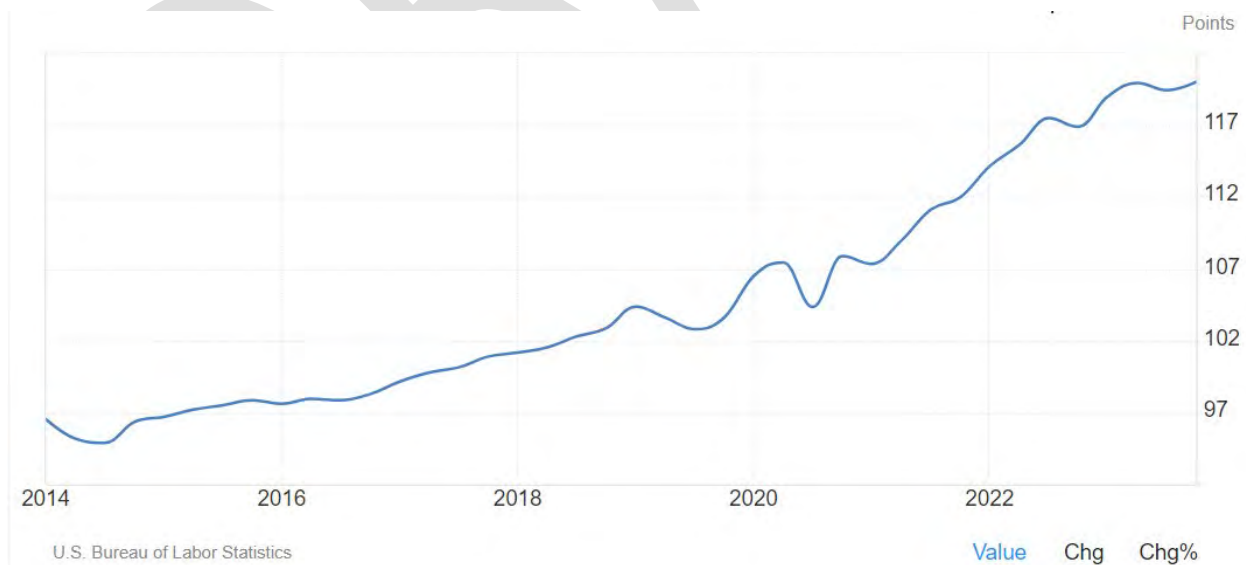


Figure 5. Labor costs from U.S. Bureau of Labor Statistics

Similarly, metal costs have seen more volatility and net increase over the past few years as shown in Figure 6.⁸

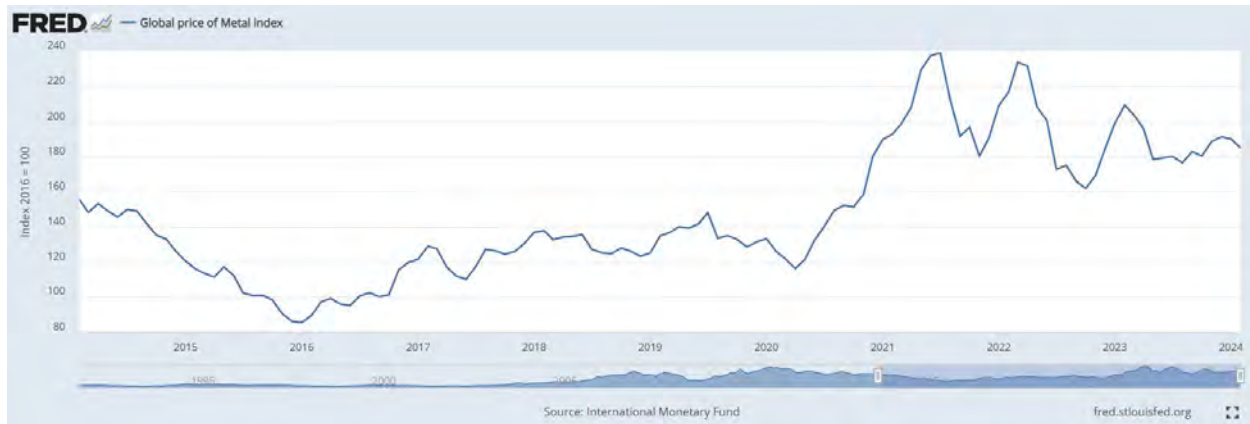


Figure 6. Global price of metal index

Higher transmission costs: Transmission costs to interconnect renewables are increasing at two levels. First, the inflationary pressures are increasing transmission interconnection equipment costs. Second, as more and more renewables are added to the grid, the cost to interconnect the next renewable project is often higher due to the need to upgrade the existing transmission infrastructure.

Higher risk premiums: Recent inflation and uncertainty about future inflation have developers assuming that the recent increase in equipment and labor prices will continue in the coming years. For example, developers have experienced a significant increase in engineering, construction, and procurement costs and assume these annual cost increases will continue for the next few years.

Additionally, many purchasers of renewable projects have agreed to significant price increases with developers to ensure previously signed PPAs are ultimately constructed. Many customers are pursuing projects with only well-capitalized developers, resulting in greater demand and higher prices from the more desirable developers.

Additionally, Anti-Dumping and Countervailing Duties and Uyghur Forced Labor Prevention Act policies created some uncertainty for imports from certain countries which also put upward pressure on prices. This policy, coupled with other factors mentioned earlier, have pushed the price of renewable generation higher. The Inflation Reduction Act and the policies noted above will expand domestic manufacturing, but it may take a few years to implement before starting a downward pressure on prices.

⁸ <https://fred.stlouisfed.org/series/PMETAINDEXM>

3.5 Resource planning refresh in 2022

Following the onset of pandemic and associated impacts on cost, Platte River staff updated the recommended portfolio from the 2020 IRP in 2022. The revised plan is called RP22 and includes the following:

3.5.1 Acceleration of renewable integration

The 2020 IRP had assumed all new generation and storage would come online on Jan. 1, 2030, after Platte River's last coal plant closed. RP22 optimally adds renewables, storage and dispatchable resources while considering the project development timeline and supply chain issues. Another consideration was to ensure that most, if not all, new resources are ready in 2028 to give at least one full year of operating experience to Platte River staff before retiring Rawhide Unit 1. This resulted in a gradual increase in renewable generation after 2025.

3.5.2 Extreme weather modeling

While Platte River's 2020 IRP simulated average weather and load conditions, the impact of Winter Storm Uri in February 2021 on the power supply across the midsection of the continental U.S. provided a valuable lesson for enhancing future power supply reliability. During Uri, northern Colorado experienced extremely cold weather and saw little to no renewable generation for three days. We refer to this event of no renewable generation as a "dark calm" and simulated these events in future planning.

To enhance the reliability of the future power supply, RP22 simulates 24 years of hourly historical weather (with its unique hourly load, wind and solar profiles) and dark calm events. As a direct consequence of this enhanced reliability requirement, RP22 added 62 MW of additional dispatchable capacity and reduced reliance on four-hour storage relative to the 2020 IRP recommended portfolio.

3.5.3 Expanded DER impact

Closely working with our owner communities, Platte River completed its DER strategy in July 2021. The strategy brought an expanded focus on DERs. Since the completion of 2020 IRP, customer adoption of EVs and distributed solar have rapidly expanded. Similarly, there is an increased interest in heating electrification to replace natural gas-fueled heating. As a result, RP22 models rapid growth in DERs including EVs, heating electrification and demand response.

3.5.4 Renewable supply chain impact

As discussed above, the renewable generation costs and project lead times increased after the pandemic. RP22 considers these increased costs and longer development times for the future portfolio.

3.6 Regulatory environment

This section outlines the legislative, regulatory and policy environment under which Platte River developed this IRP. It covers current legislative requirements with which Platte River must comply (both state and federal) as well as political assumptions that influenced the resource plan. This IRP complies with all applicable state and federal laws, including those highlighted below.

Platte River is accountable to its board, to the Colorado Department of Public Health and Environment (CDPHE) through commitments it made in its voluntarily filed Clean Energy Plan, and to the EPA through its contributions to Colorado's regional haze State Implementation Plan. The Colorado Public Utilities Commission does not regulate municipal utilities in Colorado.

3.6.1 Colorado policy review

Since the passage of Platte River's RDP, Colorado's legislature has increased its attention to energy and environmental policies. Many recent bills impact utilities' resource planning and operations. The following bills are relevant to Platte River's resource planning and this IRP process:

HB19-1261: The Climate Action Plan to Reduce Pollution set aggregated and sector-specific targets for reducing statewide greenhouse gas pollution. The bill set aggregate reduction targets at 26% by 2025, 50% by 2030 and 90% by 2050 compared to 2005 levels. The General Assembly encouraged electric utilities to file Clean Energy Plans demonstrating at least an 80% reduction in emissions by 2030 compared to 2005 levels. Platte River subsequently filed a voluntary Clean Energy Plan in line with the standards of HB19-1261, including plans to retire all coal generation assets by the end of 2029. In addition to rulemakings for utilities, HB19-1261 also ushered in sweeping changes for other sectors such as transportation and buildings that have a direct impact on future electric load and utilities' resource planning.

SB19-096: This bill directed CDPHE's Air Quality Control Commission (the Commission) to collect greenhouse gas emissions data from emitting entities and report on the data to support the state in meeting its greenhouse gas emission reduction goals.

HB22-1244: This bill created a new program within the Air Pollution Control Division (the Division) and the CDPHE to regulate toxic air contaminants. It also gave the Commission permission to create air toxics rules more restrictive than those of the federal Clean Air Act. Starting in 2024, regulated organizations must submit annual toxic emissions reports that the Division will then make available to the public.

SB23-198: Concerned with verifying that utilities are on track to meet the greenhouse gas reduction goals set out in HB19-1261, this bill requires any utility that submitted a Clean Energy Plan prior to Jan. 1, 2024, to model at least one portfolio that achieves a 46% emissions reductions by 2027 (as compared to 2005 levels) and at least one portfolio that achieves greater emissions reductions than the Clean Energy Plan submitted. The Division must subsequently confirm that utilities have adequate resources to achieve the 2030 clean energy target. As part of this IRP process, Platte River's board will consider portfolios that meet the requirements of SB23-198.

Table 2 illustrates how these Colorado policies are either considered in Platte River’s RDP, modeled in this IRP or apply only to reporting functions.

Table 2. How Colorado policies are considered, modeled or reported by Platte River

Colorado policy	Reporting	Considered by RDP	Modeled by 2024 IRP
HB19-1261: The Climate Action Plan to Reduce Pollution		✓	
SB19-096: Collect Long-term Climate Change Data	✓		
HB22-1244: Public Protections from Toxic Air Contaminants	✓		
SB23-198: Clean Energy Plans			✓

In 2018, Colorado Governor Jared Polis ran on a platform of achieving 100% renewable energy by 2040 and continues to direct his staff to achieve this goal. To drive and monitor Colorado’s adherence to the greenhouse gas emissions reductions goals set out in HB19-1261, the state released its first Greenhouse Gas Pollution Reduction Roadmap in January 2021.

Concurrent with this IRP process, the Polis administration published its Greenhouse Gas Pollution Reduction Roadmap 2.0 in February 2024 which will accelerate Colorado’s clean energy goals. Platte River anticipates that legislators may introduce bills that will require utilities to update their Clean Energy Plans to demonstrate at least a 97% reduction in emissions from 2005 levels by 2040.

3.6.2 Federal policy overview

As a hydropower customer of WAPA, Platte River must file an IRP with WAPA every five years. This IRP document complies with WAPA requirements as detailed in Appendix 9.1.

On June 16, 2020, Platte River announced its plans to retire Rawhide Unit 1 no later than Dec. 31, 2029. Colorado incorporated Unit 1’s planned retirement into its state implementation plan for the Regional Haze program, making the retirement federally enforceable.

The U.S. Congress passed the Infrastructure Investment and Jobs Act, also known as the Bipartisan Infrastructure Law, in 2021 and the Inflation Reduction Act in 2022. Together these bills resulted in unprecedented federal investments in the clean energy transition through tax credits (including for not-for-profits that have historically not paid taxes and therefore have not been eligible

for tax credits) and competitive grant programs. In response, Platte River has dedicated resources to submitting grant applications and to exploring tax credits for new renewable energy assets. To date, Platte River has mainly captured these benefits through power purchase agreements with renewable developers, whose prices reflect federal subsidies. In partnership with trade associations such as the American Public Power Association and Large Public Power Council, Platte River is continuing to explore opportunities.

Platte River is carefully monitoring the EPA's proposed rulemaking for power plants with coal- or natural gas-fired generating units. In May 2023, the EPA announced proposed rules to reduce greenhouse gas emissions from power plants. Platte River will continue to follow this process and provide comment through trade associations as the EPA makes those opportunities available.

3.7 Stakeholder engagement process

3.7.1 Outreach strategy

Platte River's communications, marketing and external affairs team worked closely with the transition and integration team to develop a robust and highly localized community engagement strategy for the 2024 IRP. The strategy involved collaborating with the four owner communities' distribution utility's communications and community relations staff. The owner communities' staffs made recommendations on which neighborhood groups, community and nonprofit organizations and customer accounts to engage and helped coordinate presentations for city councils and council-appointed boards. This allowed for a more targeted approach on engaging with stakeholders across Platte River's service region, responding to questions and addressing concerns surrounding the reliability, environmental responsibility and affordability of future energy portfolios.

3.7.1.1 Community meetings

While some owner community stakeholder groups recognize Platte River as a wholesale power provider, many constituents were unaware who generates their power and how. An added value of the IRP community meetings was the opportunity for citizens to engage with their generation and transmission public power utility.

Mindful of equity and access, Platte River either visited every group we presented to or provided a virtual option, provided information in Spanish and equipped meetings with translators and listening assistance options.

While the audiences were widespread across Platte River's service region with diverse backgrounds, there were general themes that surfaced. Those themes include:

- Discussions around customer behavior changes and impacts to resource planning
- Impacts of climate change and extreme weather modeling
- Equity and affordability
- The increasing trend of beneficial electrification and growth in demand and load

- Clarity on what is a dispatchable resource

Each presentation provided the audience an opportunity to ask questions. The Platte River team continues to receive questions via email, social media and in-person. To date, over 150 questions have been logged.

Presentations per owner community:

- Estes Park: 2
- Fort Collins: 8
- Longmont: 5
- Loveland: 4

Presentations per community group type:

- Neighborhood group: 2
- Community organization: 6
- Nonprofit: 5
- Customer account: 1
- Council-appointed board: 3
- City/town councils: 4

3.7.1.2 Business community engagement

Platte River engaged the business community primarily through downtown development authorities and local chambers of commerce: the Estes Park Chamber of Commerce, the Fort Collins Area Chamber of Commerce, the Longmont Chamber of Commerce and the Loveland Chamber of Commerce. We presented to chamber staff, committee appointees and members, sharing information about Platte River, the RDP, the IRP process and forecasts of our shared energy future. We captured questions and feedback from the business community, who are integral drivers of economic and workforce development in the region.

3.7.1.3 Consulting with industry experts

Platte River resource planning staff actively consulted with national institutes and public power councils, including the Electric Power Research Institute (EPRI), National Renewable Energy Laboratory (NREL) and the Large Public Power Council (LPPC).

3.7.2 Campaigns and resources

Platte River's first brand awareness and public education campaign launched soon after the initiation of the 2024 IRP community engagement process. The parallel run of these two efforts aimed to educate the utility's service region about who Platte River is while driving users to Platte River's digital platforms to learn more about our aggressive decarbonization efforts.

Both organic and paid media were employed to support community engagement activities for the 2024 IRP, including:

- Digital technologies like social media, email distribution and websites
- Cross-functional organic outreach through support from platforms across each owner community and distribution utility
- Paid media with advertisements placed in traditional and digital platforms with high visibility across each owner community
- Engagement with local media, including hosting an editorial meeting with local media partners

While the activities noted above received equal effort, the following resources were developed and continue to be maintained for continued engagement with the public.

3.7.2.1 Microsite

Staff developed a detailed and interactive IRP microsite (prpa.org/2024irp) that is updated as information evolves and additional details are available. Members of the public are encouraged to visit this site to learn more about Platte River's plans and to access more in-depth information including the studies conducted as part of the IRP.

All questions asked during the community engagement phase were captured and answered, and are provided in an appendix to this IRP. A subset of high frequency questions was extracted from the full list to develop a 'frequently asked questions' page published to the IRP microsite.

3.7.2.2 Dedicated email

A dedicated email was created for IRP specific questions and comments at 2024IRP@prpa.org. This approach allows for direct communication with engaged citizens and allows staff to track.

3.7.3 Results

The 2024 IRP reflects an extensive collaboration among Platte River teams as well as significant gathering of input from key stakeholders and the communities we serve. This process was designed to provide an open and transparent view of Platte River's resource planning strategy, its accountability to its owner communities and the state of Colorado's clean energy goals and underscore the value of equally maintaining our three foundational pillars.

One of the major takeaway messages we identified across each outreach effort: as time passes, Platte River must continue to safely provide affordable and reliable power to its owner communities and their customers while addressing the evolving landscape in which we operate. Each owner community served by Platte River has set, or is in the process of setting, its own clean future initiative and is challenging Platte River to match these efforts to provide northern Colorado with electric service in an increasingly sustainable manner.

4. Platte River's path to a clean, reliable energy future

Since the passage of the RDP, Platte River has been challenged to transition a low-cost, carbon-intensive energy portfolio to an energy portfolio that maintains reliability and affordability while decarbonizing as quickly as possible.

4.1 Key variables and strategic considerations

The advancements listed in the RDP (Figure 1) are among the variables Platte River must consider while working toward the goal. Other variables detailed in this IRP include:

4.1.1 Load forecast

Load forecast refers to how load, or aggregate electricity demand, is changing and the impacts of those changes to the energy mix.

4.1.2 Customer programs

Customer programs refer to how existing energy efficiency programs are performing today, how they will evolve tomorrow, and how the behaviors that result from program adoption will impact load forecast.

Most of Platte River's existing customer programs are geared toward energy efficiency, access to renewable energy, support for low-income residents or electrification. Our IRP accounts for these programs' impact on total demand and peak demand for electricity.

The IRP also anticipates an increased focus on energy efficiency, battery storage and electrification – these needs will draw on existing programs and will be enhanced by new or expanded programs over the next several years.

4.1.3 Emerging technologies

Resource planning staff engaged with an engineering consulting team to evaluate the viability, scalability and technological performance of emerging technologies. Platte River must balance the adoption of these technologies with the impacts they may have on the three foundational pillars.

4.1.4 Power markets

Participation in an organized market is needed for Platte River to achieve the clean energy transition. Over the years, Platte River has participated in numerous forums related to organized markets. Platte River, along with Xcel Energy, Black Hills Energy and later Colorado Springs Utilities, participated in the JDA for several years. The JDA was a small scale, regionally focused market operated by Xcel Energy that allowed for more efficient use of generating resources and balancing renewable resources.

While the overall results were significantly beneficial to Platte River during JDA participation, the opportunity to join an energy imbalance market was the next step in the path toward full energy market participation. This led to the three JDA participants joining the SPP WEIS market in April 2023. While it functions like the JDA, the WEIS has a larger footprint and SPP serves as the independent market operator.

In September 2023, Platte River announced plans to join the SPP RTO West. Platte River, along with other utilities, expects to transition into this market on April 1, 2026.

4.1.5 Resource adequacy

Resource adequacy refers to the ability of Platte River to have sufficient resources to deliver electricity to all consumers, at all times, even under challenging conditions. Resource adequacy is a critical aspect of resource planning and operation, ensuring that there is enough generation capacity available to meet the peak demand plus a reserve margin for unforeseen events, such as generator failures, weather events, sudden spikes in demand or other system disruptions.

4.1.6 Transmission and distribution infrastructure

As Platte River's energy portfolio continues to diversify, new resources will be interconnected to the transmission network. In a regional transmission network owned by more than one entity, the new resources may be interconnected directly to Platte River's wholly owned transmission lines or to transmission lines owned by others.

Each transmission line owner manages a generator interconnection process to require the new generation resources to be interconnected in a way that does not adversely impact the reliability of the transmission network. New generation resources will require new interconnection infrastructure and if necessary, transmission network upgrades. The transmission network upgrades will be identified during the interconnect study process. The upgrades may include new transmission lines or modifying the existing transmission lines.

Platte River anticipates the financial obligations associated with completing transmission network upgrades to interconnect the new resources. As new resource projects are established, network upgrades or modifications will be evaluated and identified. Platte River has included the costs to fund future transmission projects in the long-term capital budget. The current budget estimates will be refined as the details of the new resources are identified.

4.1.7 DER adoption and integration

Traditionally, customer electricity needs consisted solely of aggregate electricity demand. With the growth of DERs, today's customer demand must also include a seamless and economic integration of these resources.

4.2 Navigating challenges and maintaining the foundational pillars

The foundational pillars serve as guideposts for all Platte River activities, including the resource planning and modeling activities documented in this IRP.

4.2.1 Reliability – dispatchable capacity

Dispatchable capacity refers to any resource that can start, stop, speed up and slow down quickly to produce more or less power when needed. The reliability challenges faced during extreme weather events and dark calms (characterized by the absence of solar and wind energy due to adverse weather conditions for multiple days) highlight the vulnerability of serving load with weather-dependent energy sources. These events underscore the critical role of dispatchable capacity in maintaining power supply.

Platte River commissioned a study with ACES (Appendix 9.4) to analyze different weather patterns from the past five decades across a broad region to understand the frequency and impact of such extreme weather and dark calm events. The findings emphasize the need for a diversified energy portfolio and the development of supply strategies that can withstand varying weather conditions, including rare and extreme events.

The future of energy reliability hinges on supporting renewable resources with dispatchable resources (including innovative energy storage solutions) to provide continuous power supply during all-weather scenarios.

4.2.2 Environmental responsibility – cost of carbon

The portfolios modeled in this IRP incorporate carbon pricing into future electricity prices.

The carbon-imposed cost portfolio imposes additional costs disincentivizing dispatch of high-carbon energy sources, unless they prove to be needed to maintain reliability of the system even after accounting for their environmental impact. This factors environmental ramifications of carbon emissions into decision-making, steering energy strategies towards more sustainable pathways.

The evaluation process for including technologies in such a portfolio prioritizes renewable energy sources like wind and solar due to their minimal environmental footprint. Dispatchable capacity resources are also considered for their potential to balance reliability with reduced emissions, aligning the portfolio with environmentally responsible objectives.

4.2.3 Financial sustainability – rates and affordability

As a not-for-profit utility, Platte River uses revenues from its wholesale power rates to help fund the owner communities' transition to a noncarbon energy future. The owner communities' distribution utilities integrate Platte River's wholesale rates into their retail and commercial electric rates.

Platte River's rate setting policy calls for established service offerings and supporting rate structures that complement the strategic objectives and values of the organization. Platte River's rate structure strives to meet the following objectives:

- Align wholesale pricing signals with cost of service
- Adapt to cost structure changes
- Integrate noncarbon resource additions

In support of Platte River's foundational pillars of providing reliable, environmentally responsible and financially sustainable energy and services, and Platte River's mission, vision and values and strategic initiatives, the strategic financial plan provides direction to preserve long-term financial sustainability and manage financial risk. The objectives of the strategic financial plan are as follows:

- Generate adequate earnings margins and cash flows
- Maintain sufficient liquidity for operational stability
- Maintain access to low-cost capital
- Provide wholesale rate stability
- Maximize cost savings through pricing signals that provide system benefits and revenue stability
- Navigate resource acquisition costs increases and delays

Platte River is also subject to financial and rate requirements in the Power Supply Agreements and the General Power Bond Resolution. Platte River's Board of Directors have the exclusive authority to establish electric rates and must review rates at least once each calendar year.

To meet these objectives and requirements, staff established financial metrics and rate stability strategies, taking into consideration rating agency guidelines. Per its strategic financial plan, Platte River will maintain long-term financial sustainability by implementing appropriate rates and strategies that:

- Reduce significant single-year rate hikes
- Provide greater rate predictability to support owner communities with more accurate, long-term planning
- Maintain a strong financial position and AA credit rating

Competitive wholesale rates give the owner communities economic benefits for their customers. Platte River strives to maintain services and rates offered at competitive prices compared to similar services and products provided by other wholesale electric utilities in the region. Platte River's fiscal responsibility and rate stability strategies help reduce long-term rate pressure and give the owner communities greater rate predictability.

Platte River's long-term rate forecast is prepared and presented to the board of directors in the spring of each year. The IRP results, along with the most current assumptions, will be included in the rate forecast prepared in spring 2024.

5. Electricity demand 2024-2043

5.1 Load forecast methodology and data

The future load forecast is a key input for the 2024 IRP. It serves as the foundation for decision-making around resource allocation, capacity planning and infrastructure development. Accuracy of future load forecasts is critical for new resource development and investment in new technologies.

Historically, utility load forecasts were driven by weather, economic activity and efficiency improvements. While these are still the primary drivers, DERs are rapidly becoming a significant contributor to future electricity demand. While all DERs are important, energy efficiency, distributed solar, electric vehicles and beneficial electrification are the primary contributors to the future load forecast. These DERs impact the load forecast in different ways. For example, energy efficiency reduces load, distributed solar reduces net load during day times, EVs add load across the day especially in the evenings, and beneficial electrification increases load in colder months. This complex combination of opposing impacts increases the uncertainty in expected future load. Consequently, it increases the need for developing flexible plans and frequent plan updates, to ensure reliable power supply under wide-ranging future load scenarios.

Load forecasting models rely on historical data to develop future forecasts. Most DERs are in early stages of development and there is very little historical data available for them. Consequently, Platte River developed a load forecast based on history without considering DERs. A separate forecast for DERs was developed based on expected adoption rates. The two forecasts were then merged to develop a composite or net load forecast. This composite load forecast was used in the Plexos model to build the supply side resource mix.

5.2 Load forecast without DER

Platte River hired The Energy Authority (TEA), a third-party consultant, to develop a 20-year load forecast for the planning period of 2024-2043. TEA developed a load forecast without considering DERs, referred to as the base load forecast. It is combined with the DER forecast to develop a composite forecast. TEA developed a forecast of monthly energy consumption and monthly peak demand as well as hourly load shapes.

5.2.1 Methodology

The monthly load forecast utilized a least squares linear regression model, using historical data to derive a linear relationship between a dependent variable and one or more independent variables. The dependent variable was forecasted using linear relationships and projections for each independent variable as discussed below.

Forty years of historical weather data along with 20 years of load and economic data were used to train three linear regression models. The first model considered total monthly energy as the regression's dependent variable. The remaining two models considered peak load as the dependent variable, with a model specifically for June through September and another for all remaining months in the year. This split was due to the contrast in peak load history between

summer, which has grown consistently, and winter, which has seen a slight decrease since the late 2000s. Below is the total and peak load history for Platte River, aggregated by year.

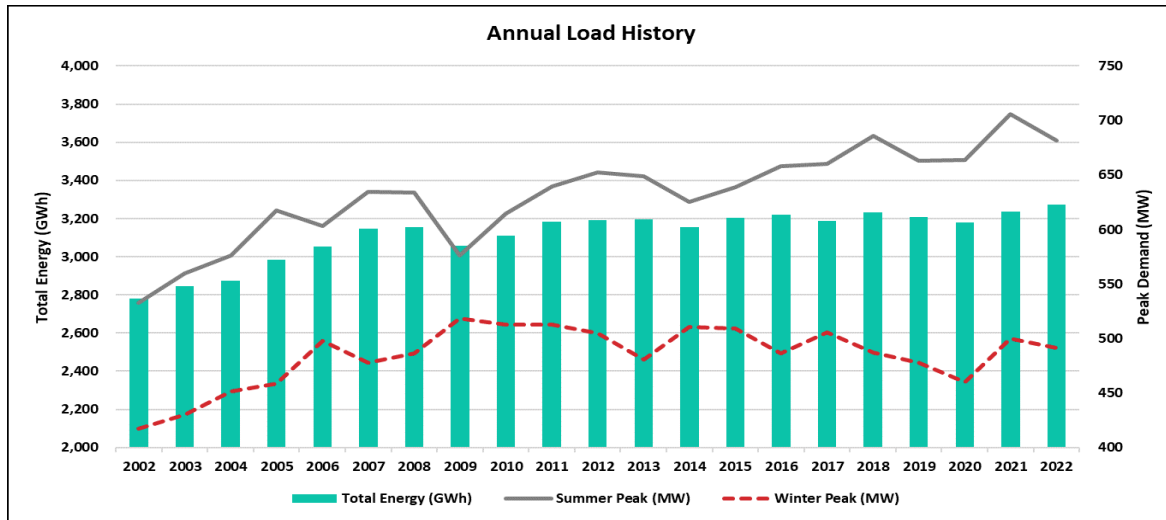


Figure 7. Historical annual peak and energy

Once the regression model was trained using historical data, a projection for each of the forecast drivers was input into the three models, creating monthly forecasts for total energy and peak load.

5.2.2 Forecast drivers

Future load growth can be driven by weather trends, economic factors or specific changes in customer usage patterns. To project future load patterns, Platte River's linear regression model used temperature, number of households and changes in air conditioning use.

Weather and seasonal impacts. One of the fundamental metrics to quantify the severity of weather is degree days. This metric takes the difference between the average daily temperature and a set point. In this case, the set point was 65 degrees Fahrenheit (°F). Heating degree days take the sum of this calculation for temperatures below 65 °F, while cooling degree days use this calculation for temperatures above 65 °F. The distinction between heating and cooling degree days was made because hot and cold weather have different impacts on customer energy usage.

Based on the past 40 years of historical temperature data, a weather-normal forecast was developed for both heating and cooling degree days. Forty years of data was used to better capture the slight warming trend that has been observed in temperature history. This warming trend was incorporated into the weather-normalized forecast, resulting in a slight decrease in annual heating degree days and a slight increase in annual cooling degree days over time.

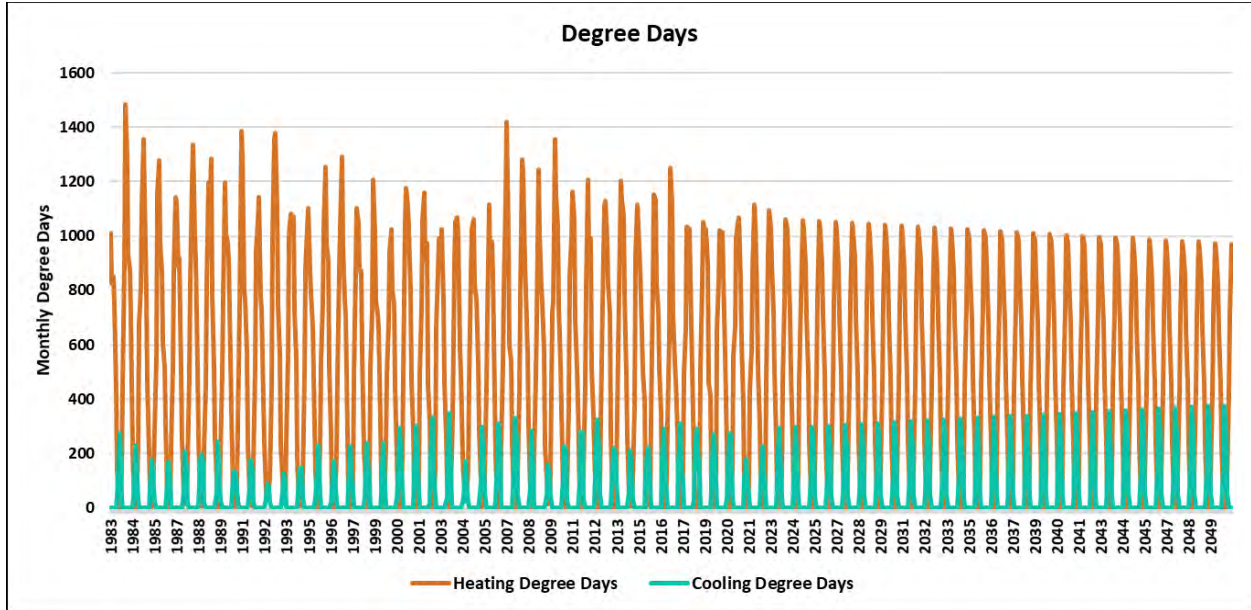


Figure 8. Historical heating and cooling degree days

Another factor incorporated into the load forecast model was the month of the year. This was used both to smooth the monthly forecast and to better consider seasonal impacts that may not be captured solely using heating/cooling degree days.

Number of households. Number of households was utilized to project economic growth within Platte River’s service territory. These projections were obtained for Larimer County from Woods and Poole, an economic forecasting firm. While sections of Platte River’s service territory exist in surrounding counties, economic growth in Larimer County was assumed to reflect the growth of nearby areas as well. Growth in number of households is expected to continue to soften through the 2030s, following the trend observed since 2011. From 2040 onward, growth in number of households slightly flattens.

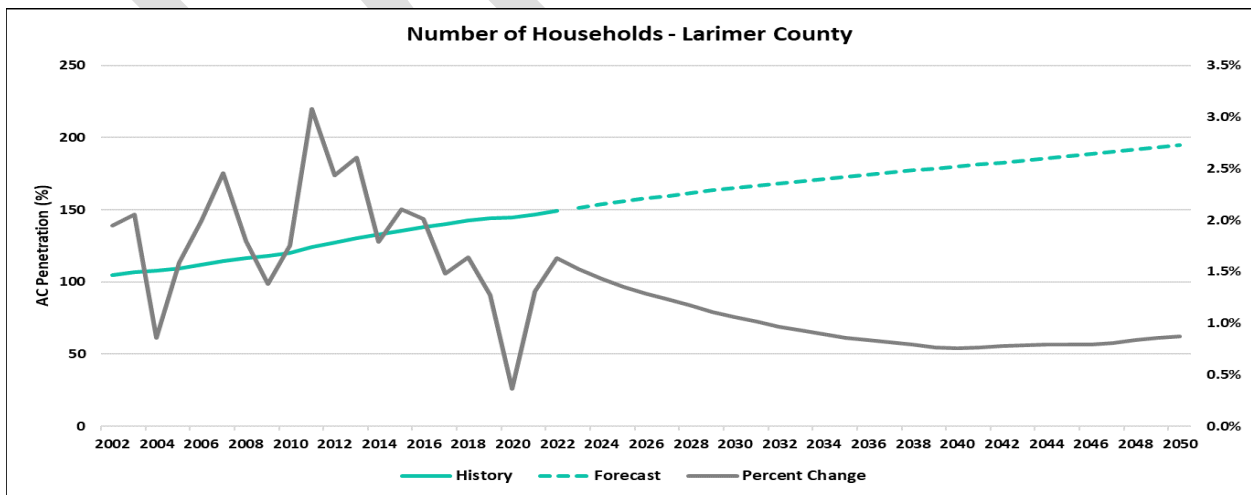


Figure 9. Historical growth of individual homes

Air conditioning use. A large driver for load growth over the past 20 years is an increase in the percentage of central air conditioning systems in single-family homes. This has increased both total energy consumption and peak demand during the summer months. Growth in air conditioner use is expected to slightly decrease in the future, with an average of 0.6% year-over-year increase through 2050.

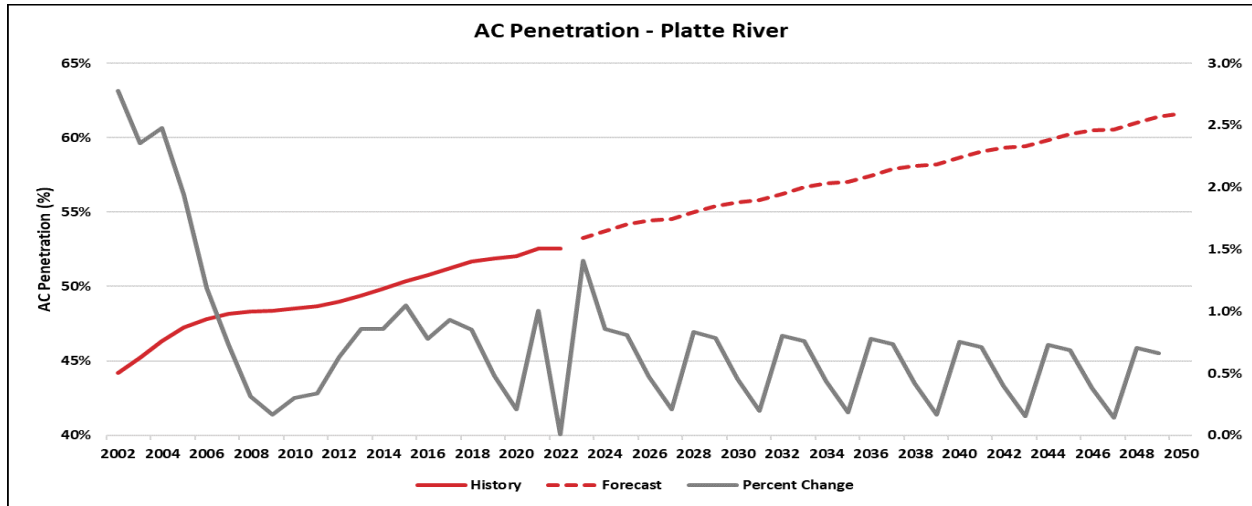


Figure 10. Historical growth of air conditioners

5.2.3 Forecast results

The base load forecast is projecting consistent growth in both peak load and total energy. The chart below displays the annual total energy forecast, summer peak demand and winter peak demand through 2050. The growth in summer peak demand is expected to outpace growth in total energy, reflecting the trend observed since the early 2010s. While winter peak demand is projected to increase, it is at a lower rate than both summer peak and total energy forecasts.

Table 3. Average annual load growth, energy and peak demand

2024 – 2033 year-over-year average growth – base load forecast	
Total energy	0.5%
Summer peak load	0.8%

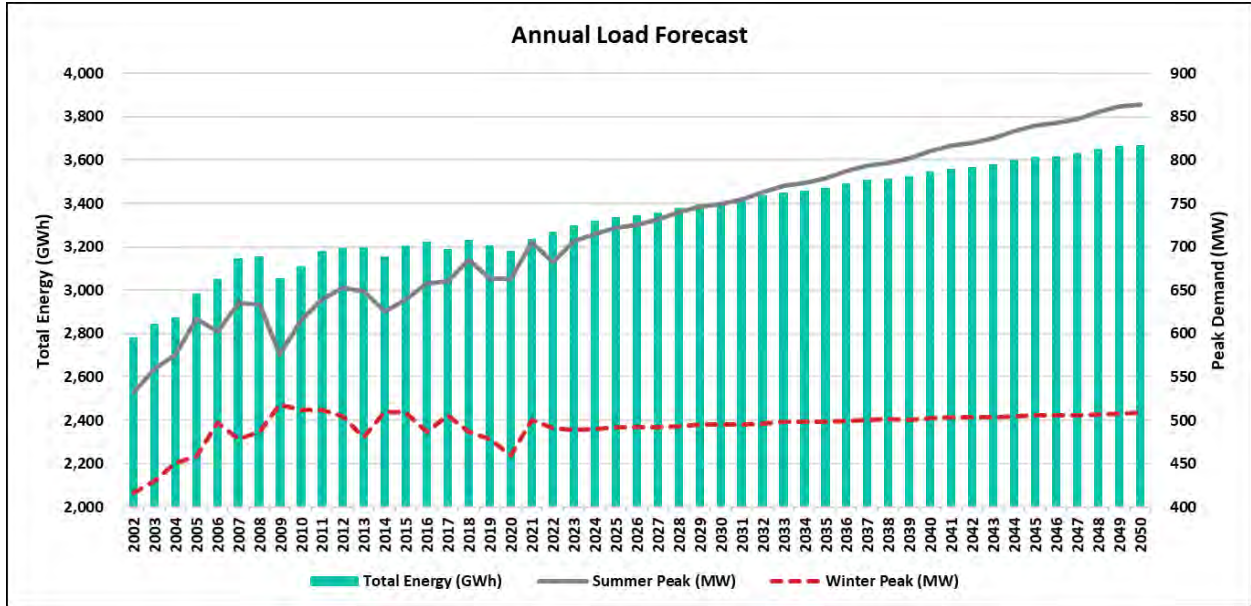


Figure 11. Historical and forecasted load, energy and peak demand

5.2.4 Hourly load shape

In addition to monthly forecasts, an hourly load shape forecast was developed for hourly dispatch modeling purposes. Rather than using a linear regression tool, a more robust model was chosen to develop the hourly shape due to the many nuances observed between hourly load and temperature changes over time. Hourly load data for 2013-2022 and temperature data for 2002-2022 was input into the model. The model created an hourly weather normal temperature forecast using the rank and average method. After the hourly load forecast for 2023 was developed, the total energy and peak load shape for each month was then normalized to the monthly projections for 2023. While there were not large discrepancies between the hourly and monthly model projections prior to normalization, this was done to ensure consistency between the two forecasts.

Below is a comparison of the average hourly shape, by month, for the 10 years of historical hourly data and the 2023 projections. Increases in average hourly load are observed between the load history and forecast, however this reflects load growth observed during 2013-2022. The forecasted load shape is commensurate with historical load shapes.

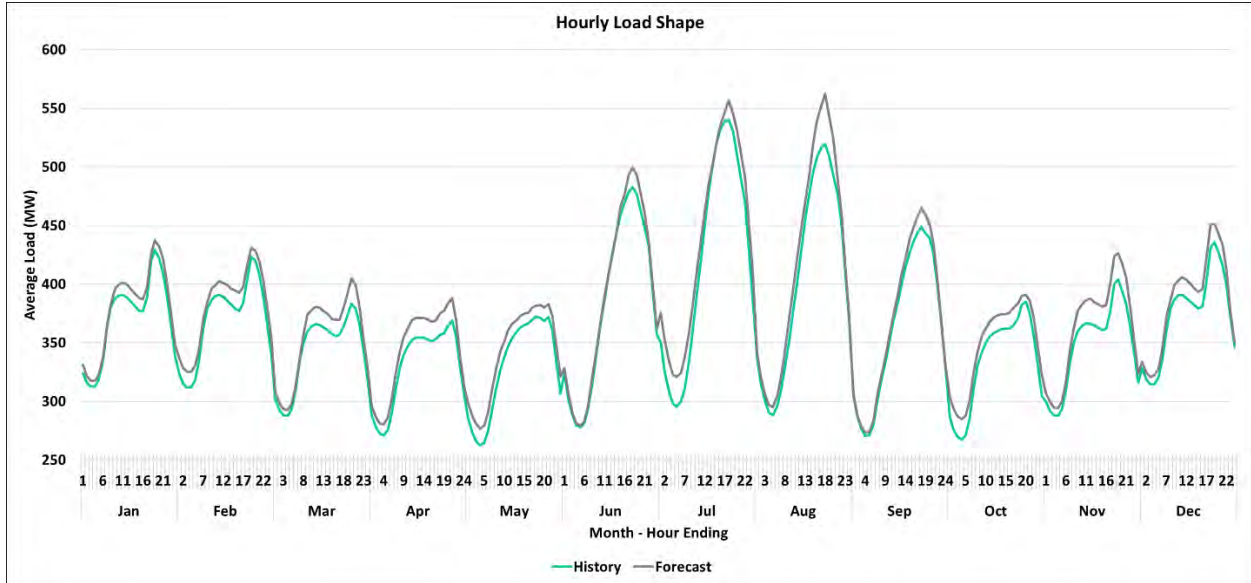



Figure 12. Historical and forecasted hourly load shapes for each month

5.3 DER integration, flexible DERs and the virtual power plant


DER encompasses a range of technologies installed and used at a customer’s premises or within the distribution system and can be either on the customer or utility side of the meter. These assets potentially provide advantages to both the electric system and customers alike. These resources include energy efficiency, building electrification, transportation electrification, distributed generation, distributed energy storage and demand response.

Distributed energy resources (DER) and the VPP



Energy efficiency


Save energy and save money by using energy more efficiently



Electrification


Reduce greenhouse gases by replacing fossil fuel use with increasingly decarbonized electricity

Flexible DERs that can form a VPP




Distributed generation

On site noncarbon generation provides customer benefits and reduces utility investments



Demand response

Shift energy to align electric use to renewable availability and to decarbonize the electric system in a cost effective and reliable manner



Distributed energy storage

DERs are, as stated in the name, resources. For resources to provide value, they must be put to effective use. Effectively using DERs to provide system-wide benefits is often referred to as

“integrating” DERs. Integrating DERs means they have been made a functioning part of the electric system. This entails some of the following areas of activity:

- **Visibility and forecasting.** DERs must be “visible” to and predictable by electric system planners and operators for their effects to be taken into consideration. To support system planning, DER impacts must be forecast years in advance. To support system operations, DER forecasts must look seconds, minutes to days into the future.
- **Dispatchability or control.** Flexible DERs can be controlled or dispatched by utility system operators to maintain reliability or to achieve system-wide financial benefits.
- **Customer awareness, engagement and participation.** The customer is provided support and services to help them understand their opportunities, benefits and responsibilities as participants in the electric system.

When flexible DERs are integrated in this manner and aggregated into coordinated operational programs, they are considered a virtual power plant (VPP). A VPP is a network of aggregated flexible DERs that can be controlled by Platte River and/or the owner community distribution utilities through advanced software to support grid reliability and financial sustainability.

5.3.1 DER forecast studies

Platte River commissioned two DER forecast studies to support DER and resource planning. The first, *Platte River Power Authority Beneficial Building Electrification Forecast*, Mar. 12, 2022, was completed by Apex Analytics, LLC (“Building Electrification Study”). The second, *Distributed Energy Resources Forecast and Potential Study*, Aug. 28, 2023, was completed by Dunsky Energy+Climate Advisors (“DER Study”). A summary of the studies and their results is included below, and the full studies are available in the appendices of this report.

The Building Electrification Study scope included the following:

- Study period: 24 years (2023 through 2046)
- Building electrification categories: space heating, water heating and cooking.
- Sectors/segments: residential and commercial
- Scenarios: three market potential scenarios that consider market/policy/technology factors and inputs (e.g., technology cost and performance; federal/state/local codes, standards, or incentives) and program/utility factors and inputs (e.g., incentives, rates)
- Outputs: annual energy impacts, hourly and peak demand impacts

The DER Study scope included the following:

- Study period: 20 years (2024 through 2043)
- DER categories: energy efficiency, transportation electrification, distributed generation + storage, and demand response (or flexible DER, including EV charge management, battery storage management and traditional demand response)

- Sectors/segments: residential single family, residential multi-family, small commercial, large commercial
- Scenarios: three market potential scenarios that consider market/policy/technology factors and inputs (e.g., technology cost and performance; federal/state/local codes, standards, or incentives) and program/utility factors and inputs (e.g., incentives, rates, avoided costs)
- Outputs: technology adoption (number of units), annual energy impacts, hourly and peak demand impacts, program metrics (budgets)

The results of these studies inform load forecasts and DER program plans discussed below.

5.3.2 Energy efficiency

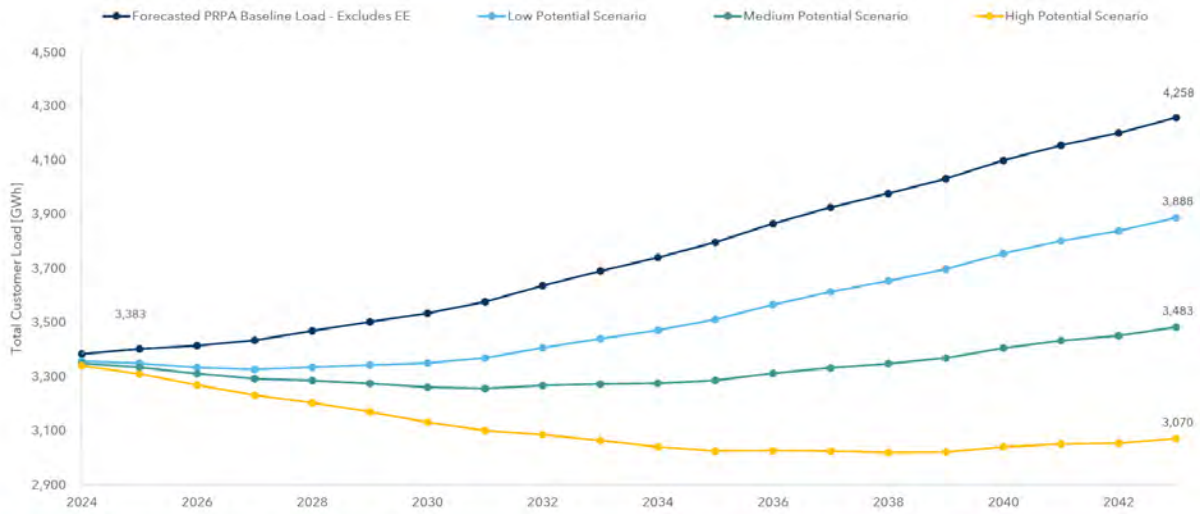
Energy efficiency programs focus on helping customers reduce their energy consumption through a variety of interventions including outreach, education, contractor engagement and incentives. Platte River and the owner communities deliver energy efficiency programs under the Efficiency Works™ brand, which are jointly funded and administered by Platte River and its owner communities. These programs provide communities with a cost-effective way to manage load growth, reduce carbon emissions and help customers reduce electricity costs, and provide a cost-effective option when compared to the cost of supply-side resources otherwise needed.

5.3.2.1 Energy efficiency forecast study results

The DER study evaluated the energy efficiency potential identifying three adoption scenarios: low, medium and high. The adoption scenarios were evaluated based on three other utility potential studies, taking into consideration local factors, such as the owner communities' customer segmentation, historical participation data for existing Platte River energy efficiency programs and the building electrification forecast study identifying heat pump adoption rates. Two of the key takeaways from the study include:

- Platte River could achieve an average incremental savings rate of almost 0.78% of annual load each year between 2024 and 2030 in the low scenario, 1.15% in the medium scenario, 1.71% in the high scenario. This would come at a cumulative cost (2024-2030) of about \$105 million, \$200 million and \$460 million, respectively.
- Energy efficiency savings for lighting, heating, ventilation and air conditioning (HVAC) pumps and fans and plug load (energy used by equipment that is plugged into an outlet) make up over 60% of total forecasted savings by 2043 for the commercial sector. For the residential sector, heating provides almost 60% of the energy efficiency savings, due in part to growing residential heating electrification, followed by plug load and domestic hot water.

The study applied the energy efficiency potential scenarios to the estimated customer baseload forecast. The potential market segments from which energy savings is anticipated to be achieved are shown in figures 13 and 14 below.



Note: The baseline load includes expected customer load growth & electrification growth (PRPA baseline load + building electrification Low projection). Transportation electrification and distributed solar load are not included in the baseline load.

Figure 13. Total annual consumption by energy efficiency adoption scenario

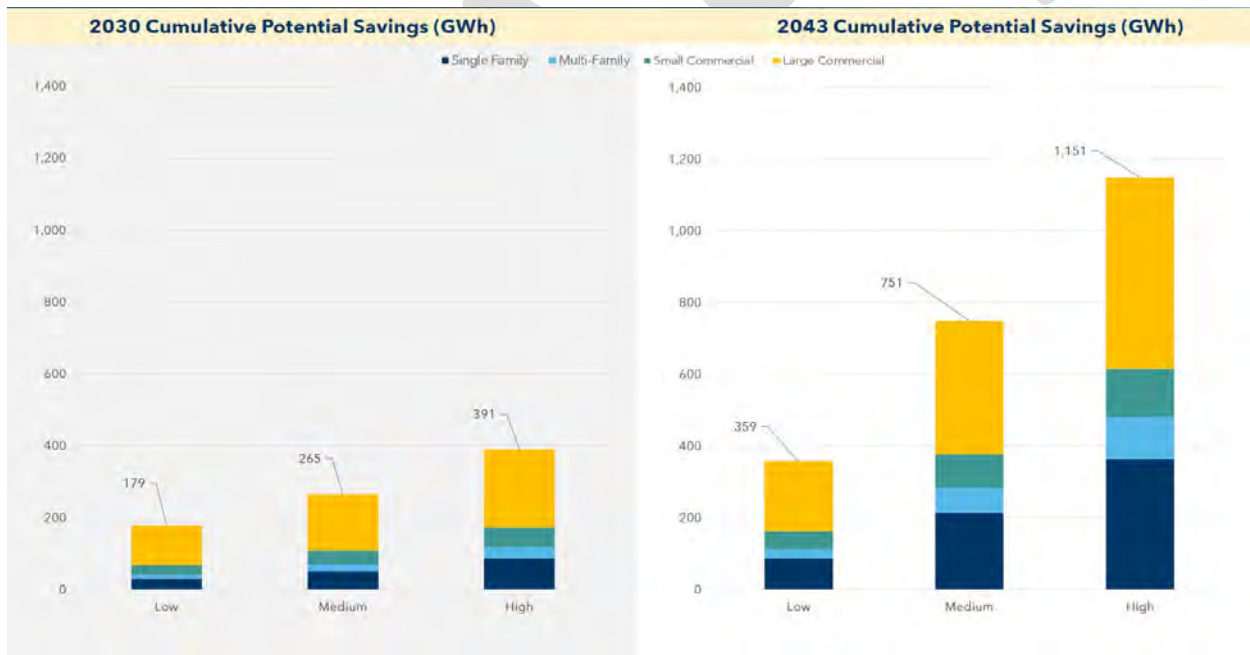


Figure 14. Cumulative potential savings (GWh)

Platte River continues to invest significant resources in a portfolio of energy efficiency programs, which include some of the highest incentives in the region. These investments are intended to help avoid the need for new generation resources due to customers using energy more effectively. However, participation rates result in savings that are consistent with the low forecast contained in the DER study. Platte River plans to continue investment in energy efficiency at current levels through 2030 and beyond with adjustment for inflation, as long as the investment provides value through customer participation and energy-saving benefits. See figures 15, 16 and 17 for estimated

future investments and associated savings within the owner communities for energy efficiency services. These ongoing investments in energy efficiency services will continue to evolve and provide a strong foundation of programming for other DER technologies to build upon in future years.

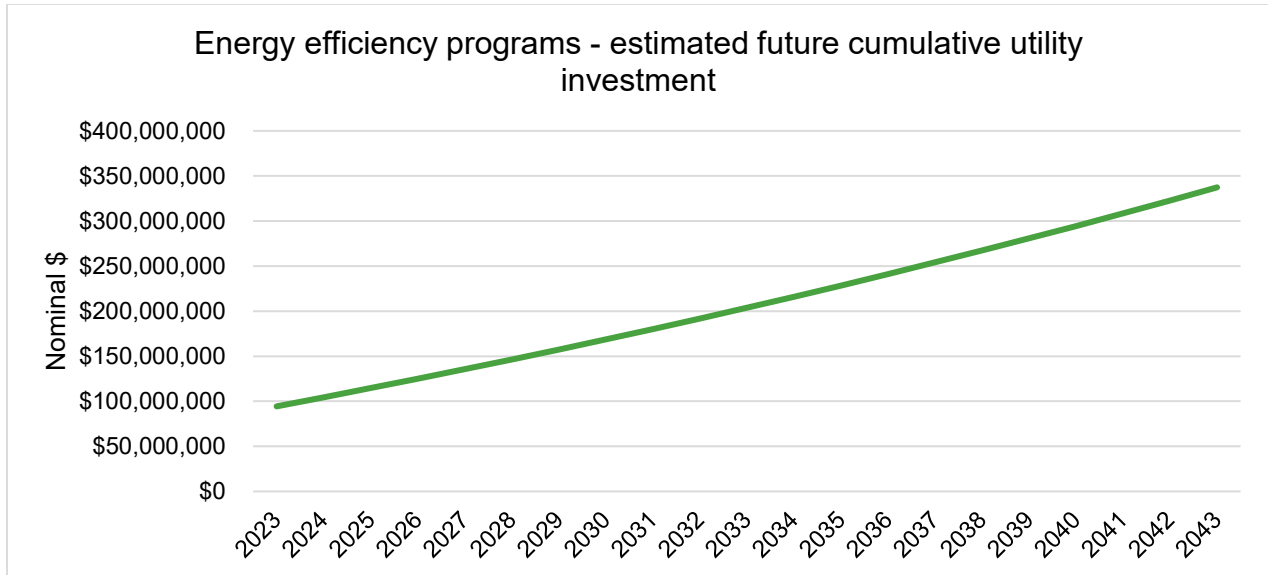


Figure 15. Energy efficiency programs - estimated future cumulative utility investment

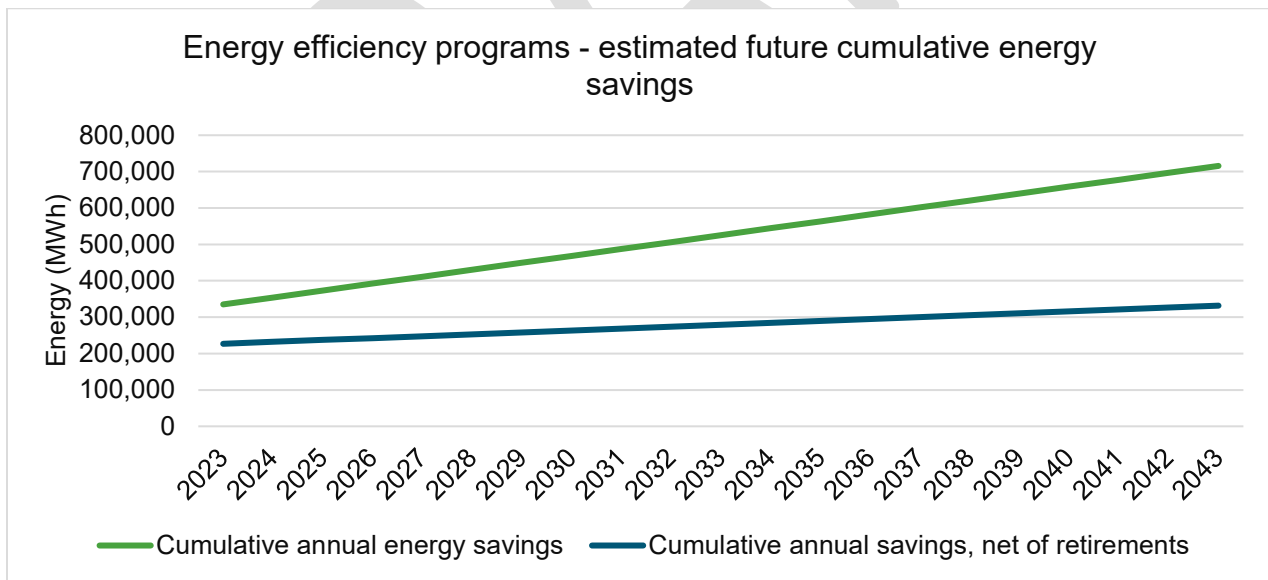


Figure 16. Energy efficiency programs - estimated future cumulative energy savings

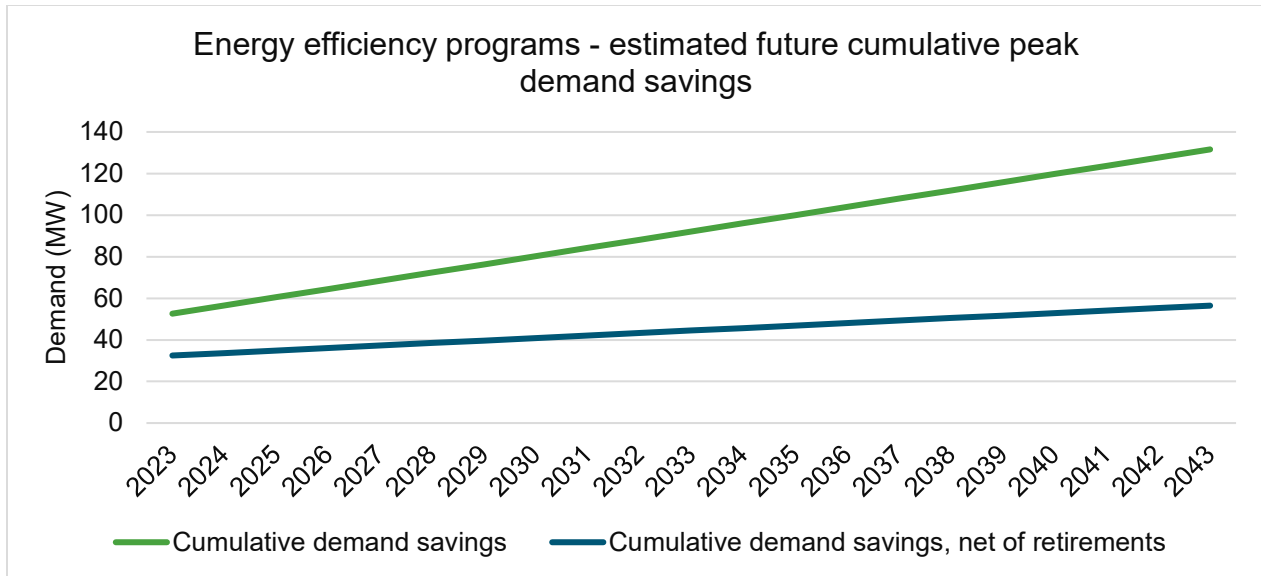


Figure 17. Energy efficiency programs - estimated future cumulative peak demand savings

5.3.3 Electrification

5.3.3.1 Buildings

Building electrification refers to new uses for electricity that replace other sources of energy used in buildings. When beneficial electrification provides additional economic benefits, grid benefits and environmental benefits, it is referred to as beneficial building electrification. Typically, beneficial building electrification involves the replacement of natural gas or propane appliances in residential and commercial properties with more carbon-efficient appliances that consume electricity.

As Platte River's owner communities pursue carbon emission reduction and as Platte River decarbonizes its generation, beneficial building electrification becomes an attractive alternative that can be incorporated into existing Efficiency Works customer programs.

Building electrification forecast study results. In 2022, Platte River completed a Building Electrification Study to provide a range of forecasts for building electrification adoption and effects on electric consumption. The study evaluated the adoption electrification of end uses with a focus on those with the most significant potential: space heating, water heating and cooking. Three growth scenarios were considered—low, medium and high—based on varying levels of policy interventions and technology types. Medium utility incentives were assumed for all three scenarios. Some key findings from the study include:

- Only minor impacts on overall electricity consumption are expected through 2030. However, starting in the 2030s, building electrification impacts become larger.
- Most of the energy and demand growth occurs in the winter; summer impacts are minimal.
- Full electrification of heating during extreme cold will cause Platte River to become a winter peaking utility sometime after 2035.

- Policies requiring all-electric new homes or businesses could push impacts sooner – winter peaking will occur within five to 10 years of requiring all-electric new homes.
- Electrifying residential space heating with heat pumps is the highest impact building electrification technology and supports ongoing energy efficiency options.
- Full electrification of heating causes significant cost and reliability challenges.
- Without program or policy support, or significant changes to heat pump technology, efficiency and economics, cost and accessibility challenges will limit adoption of building electrification.

Results of the study are shown in figures 18 and 19 below. Additional details on building electrification impacts can be found in the APEX Analytics study included in the appendix.

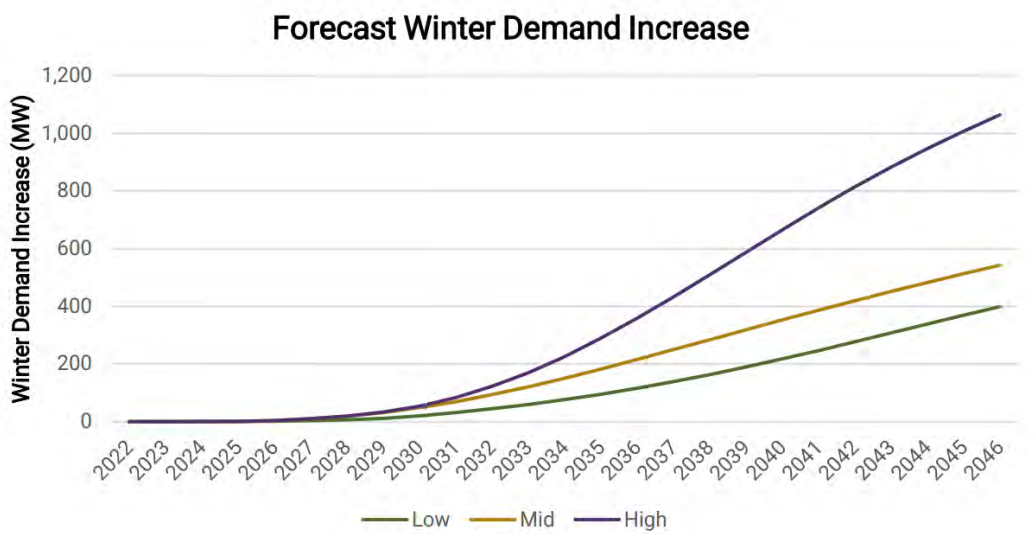


Figure 18. Forecasted winter demand increase

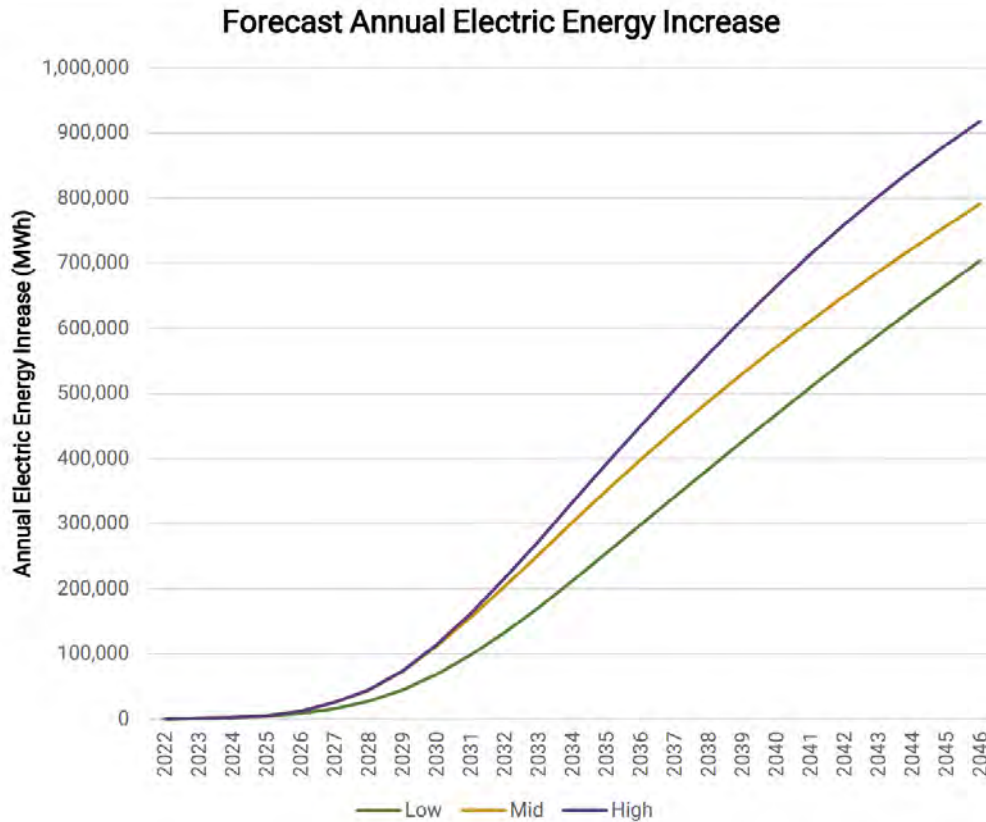


Figure 19. Forecasted annual electric energy increase

Platte River initially adopted the low forecast for its load forecast in 2022. However, it now appears the medium forecast best reflects recent changes observed in the market. These include increasing availability of federal and state tax incentives along with the increasing acceptance of heat pump technology by local HVAC contractors.

5.3.3.2 Transportation

Transportation electrification refers to the shift from vehicles with internal combustion engines powered predominantly by fossil fuels (gasoline and diesel) to vehicles powered by batteries charged from the electric grid. Transportation electrification reduces dependence on fossil fuels and reduces emissions from burning fossil fuels, including greenhouse gases. Transportation electrification is driving challenges and opportunities for vehicle owner/operators; businesses involved in the sales, service and fueling of vehicles; and for electric utilities.

Transportation electrification forecast study results. The DER Study evaluated the adoption of EVs in the following categories: light-duty vehicles (including personal vehicles and commercial fleets), medium-duty-vehicles, heavy-duty vehicles and buses. Three growth scenarios were considered—low, medium and high—based on varying levels of policy/program interventions; technology availability and cost declines; and market factors (e.g., electric rates, fuel prices). No utility rebates were evaluated. Table 4 summarizes the driving factors for each scenario considered in the study.

Table 4. Primary drivers for transportation electrification

Parameter	Low scenario	Medium scenario	High scenario
Policy/program interventions			
Public charging infrastructure expansion	Limited Planned investments + current growth trajectory	Moderate Planned investments + accelerated growth trajectory aligned with Colorado National EV Infrastructure Formula Program (NEVI ⁹)	Significant Expanded infrastructure to ensure adoption is not constrained
Vehicle incentives	Current federal and state EV incentives, phase out prematurely in 2028 and 2026, respectively	Current federal and state EV incentives, phased out as currently planned in 2032 and 2028, respectively	Increased incentives and extended beyond currently planned in 2035 and 2030, respectively
Existing building charging infrastructure retrofits	Limited 15% of multi-unit buildings with access to charging by 2035	Moderate 40% of multi-unit buildings with access to charging by 2035	Significant 90% of multi-unit buildings with access to charging by 2035
Zero-emission vehicle mandates	None	None	Stringent 100% by 2035
Technology factors			
Battery costs	Limited cost declines	Moderate cost declines	Aggressive cost declines
EV model availability	Limited availability	Moderate availability	High availability
Market factors			
Vehicle sale	Maintain historical trends		
Fuel prices	Limited escalation	Moderate escalation	Rapid escalation

⁹ National Electric Vehicle Infrastructure Formula Program (NEVI) is a federal grant program established under the Infrastructure Investment and Jobs act to provide states with funding to expand availability of EV fast charging infrastructure on transportation corridors.

The following figures depict the anticipated adoption for the three scenarios in terms of number of vehicles, annual energy and summer peak demand.

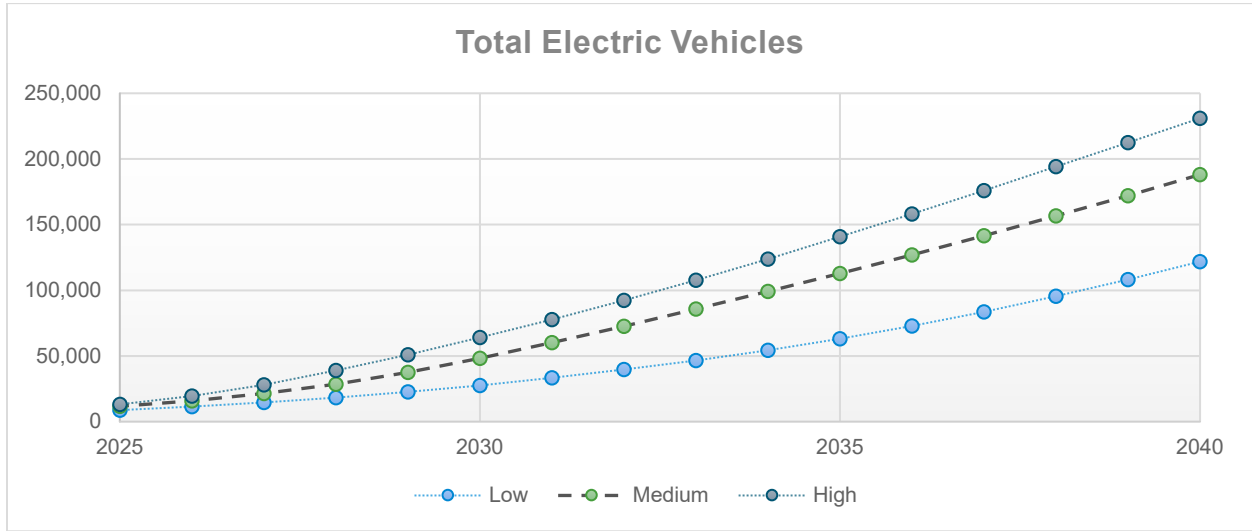


Figure 20. Total electric vehicles

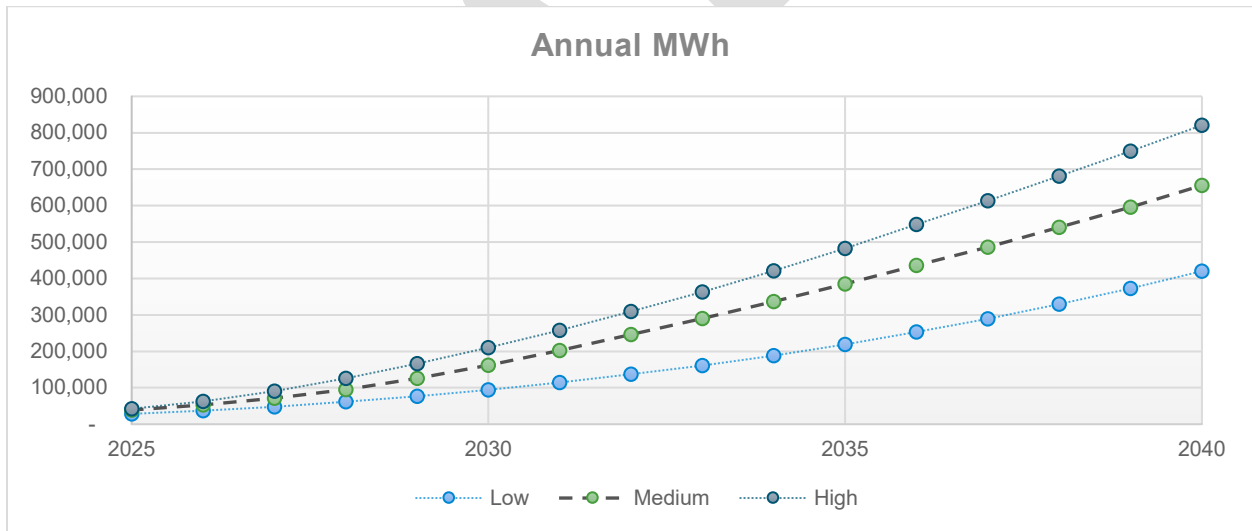


Figure 21. Annual MWh

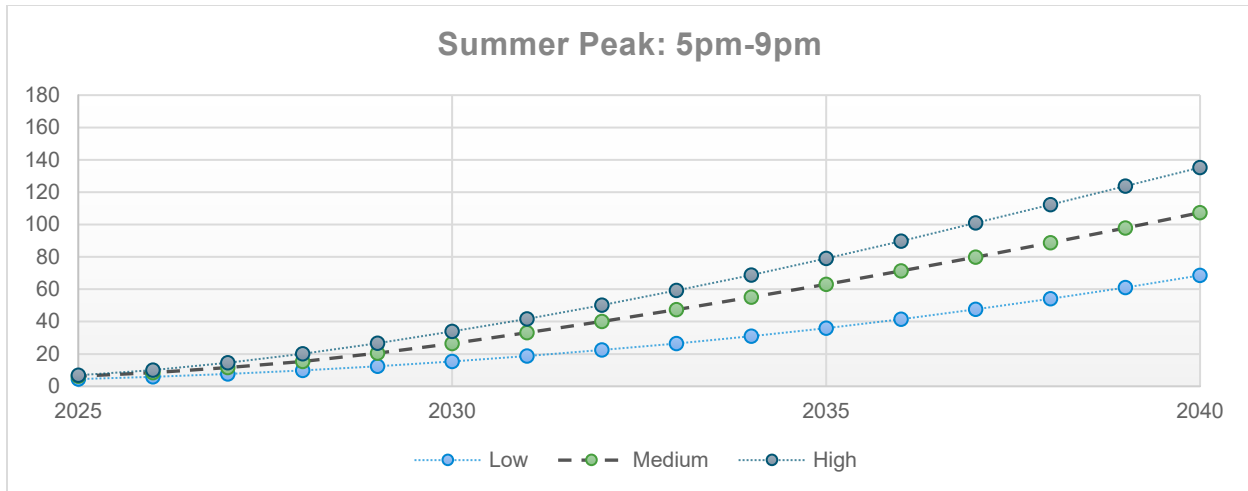


Figure 22. Summer peak: 5-9 p.m.

Note that the summer peak demands are based on a diverse set of EV charging profiles (home charging, workplace charging, public charging, commercial fleet charging). These profiles assume some customers will respond to time-of-use pricing, where available. Winter peak demand effects are expected to be about 70% higher than summer peak due to the additional use of electricity in EVs to provide heat in the occupant compartment and to the batteries.

In all three growth scenarios the forecasted growth in EV adoption is poised to escalate significantly during the study period of 2023-2043.

Monitoring and forecasting EV adoption. As of the end of 2022, Platte River's owner communities witnessed a notable surge in the adoption of EVs. The number of estimated registered EVs within the communities at the end of 2022 was around 2,900. Throughout 2023 EV adoption has seen a steady increase, with an estimated 4,000 EVs by the end of the year, slightly under the previous forecast of 4,500. This growth within the owner communities follows closely with the Colorado state trend of a 3% growth each month, or 43% annually, in new EV registration.

The DER Study evaluated a range of adoption scenarios to inform the load forecast used for resource planning. Platte River has chosen the medium forecast, approximately 48,000 EVs by the end of 2030, which represents 42% compound annual growth from current levels. Adoption will continue to be monitored and adjustments will be made to the forecast as more data becomes available.

5.3.4 Transitioning Efficiency Works programs to distributed energy solutions

The Efficiency Works program offerings through Platte River's distributed energy solutions department are shifting focus to meet the customer needs through additional product education, energy advisory services and repurposing incentives to business and home upgrades that support future load flexibility. A few examples of this transition include:

- Supporting building electrification upgrades that can provide future flexibility or load control throughout the year (not just a summer peak reduction of air conditioner loads).

- Incentivizing public EV charger infrastructure to provide more charging locations for EV drivers throughout the day to accommodate different charge control program models.
- Optimizing commercial HVAC equipment through the Building Tune-up program that will provide an eventual path for advanced system automation control installations and ongoing system performance visibility.

A variety of new customer program offerings have been developed and launched in recent years to support this transition as described in sections below.

5.3.5 New customer programs to address future electrification requirements

5.3.5.1 Building electrification activities

In 2023, the Efficiency Works programs continued to support owner community initiatives and began shifting to include multiple building electrification measures. These measures mostly focused on heating and cooling equipment within residential properties while leveraging the existing energy efficiency contractor networks. The initial building electrification programming is focused on the following areas to support customers as they decarbonize their homes and business:

- Retrofitting existing residential properties
- Educating residential and commercial customers on effective ways to use their energy with beneficial electrification upgrades
- Providing incentives to the income qualified community sector to support beneficial electrification initiatives
- Developing programs to support distributors selling beneficial electrification equipment in the commercial HVAC sector
- Engaging and training local contractors about the benefits of beneficial electrification upgrades

The shift in building electrification programming also aligns with possible incentives offered through the Inflation Reduction Act and state tax credits. As interest in beneficial building electrification continues to grow, customer programs will encourage energy efficiency upgrades like building envelope improvements. In combination with the beneficial electrification upgrades, these improvements will allow for the potential to call on demand response activities for longer durations in the future.

5.3.5.2 Transportation electrification activities

Platte River supports customers on their transportation electrification journey as they evaluate options and consider adopting EVs. This support starts with information. Platte River and the owner communities offer information on EVs through Efficiency Works.

In 2022, Platte River launched an interactive EV shopper guide web site. The web site includes information on currently available EVs, including cost, performance specifications and available incentives. It also includes a calculator that allows visitors to compare the total cost of ownership of

EVs in comparison with each other and compared with conventional vehicles. In 2023, the website was expanded to offer EV Fleet Planning as a calculator tool for local fleet operators to develop plans to calculate the costs of fleet transitions. In 2024, expansion in the EV space will continue to support commercial customers with additional technical services to plan for EV fleet transitions and work closely with the distribution utilities on potential service upgrades and interconnection requirements.

Platte River's commitment to advancing EV infrastructure is exemplified by the 2023 initiative offering one of the highest incentives in the state of \$5,000 per public charging port. This incentive aims to promote public charger hosting by local business and multifamily properties by offsetting some of the installation cost. Promoting more public charging options and making EV charging more available and visible are intended to reduce “range anxiety” among EV drivers and potential EV drivers.

5.3.5.3 Commercial HVAC system optimization activities.

In 2021, Efficiency Works relaunched an improved Building Tune-up program offering focusing on supporting commercial customers to optimize building more complex systems. The programming is one of the few in the nation that focuses on upgrades and services ranging from enhanced maintenance practices to complex retrocommissioning. In its current form, the programming engages with both large commercial and industrial customers to optimize complex building automation systems and local HVAC contractors performing ongoing maintenance services, to many small and medium commercial properties in the owner communities.

Since the relaunch, the programming has increased energy savings at commercial properties from an annual average of 4 participants to over 50. The program has also increased the number of properties participating through increased engagement of local contractors in the HVAC industry. Program staff are currently evaluating

Including income-qualified communities in the energy transition

For more over years, Platte River has offered various programs to support income-qualified customers. In 2021, the Efficiency Works Business team launched the **Community Efficiency Grant** to provide additional financial support for energy upgrades in businesses and multifamily properties serving the income-qualified community. This effort has increased the number of participating entities **eight-fold** on an annual basis, resulting in 103 upgrades saving an estimated \$385,000 annually on the businesses' electric costs through the investment of nearly \$2.1 million of the Efficiency Work Business programs. The Community Efficiency Grant is expanding eligibility in 2024 to more entities that serve this community.

In addition, Efficiency Works has partnered with Energy Outreach Colorado (EOC) since 2016 to provide free energy advising and upgrades to eligible participants. In 2023, Efficiency Works revamped the partnership structure and services available, resulting in significant positive impacts for the residential income-qualified segment. The offerings have shifted focus to actively engage with participants on more significant home upgrades including energy efficiency and building electrification. According to the EOC, this partnership has grown to be one of the most well-funded income-qualified programs and has the strongest participation impact goals in the state of Colorado. In 2023, investments of nearly \$1 million have been made to support the income-qualified residential upgrades in our communities and this level of annual investment is expected to continue.

options to expand services into ongoing, monitor-based commissioning and installing advanced rooftop unit controls during routine maintenance visits. Both expansion options will provide pathways for commercial customers to participate in a future VPP providing additional energy consumption flexibility within the system.

5.3.6 Distributed generation and distributed energy storage

Distributed generation refers to electric generation sources, typically solar facilities, located near the point of use, within customer premises or on the distribution system. Similarly, distributed storage refers to energy storage, typically battery storage, located near the point of use, within customer premises or on the distribution system. Distributed generation and distributed storage are considered together in this section due to the synergy between them.

From Platte River's perspective, storage is essential to achieving a noncarbon electric system because it helps to align variable renewable generation, like wind and solar, with load. It does this by storing surplus energy when wind and solar generation exceed load and by discharging storage when wind and solar output drop below load. Similarly, from a customer's perspective, distributed storage paired with distributed generation solar helps the customer make use of more of their on-site generation to serve their own load. This reduces the energy they would otherwise export to the grid and later repurchase from the grid when solar does not align with their usage patterns.

5.3.6.1 Distributed generation solar and distributed storage forecast study results

The DER Study evaluated the adoption of distributed generation solar and distributed storage. The solar adoption forecast model considered historical rates of adoption and evaluated future adoption based on several parameters that were varied across four scenarios. Distributed storage was assumed to be adopted in relation to solar. Some solar was assumed to be adopted alone, some was assumed to be adopted paired with distributed storage and some distributed storage was assumed to be adopted alone. Table 5 summarizes the driving factors for each scenario considered in the study.

Table 5. Adoption of distributed generation – solar and storage

Parameter	Low scenario	Medium scenario	Medium export-rate scenario	High scenario
Policy/program interventions				
Solar and storage incentives	Federal ITC (solar tax credit) benefits phased out early (2028). No owner community incentives.	Federal ITC, phased out on schedule (2035) Current Fort Collins incentives, phased out 2028		Federal ITC extended to 2040. Fort Collins incentives adopted by all owner communities.
Codes and standards	No mandates	All new buildings must have solar beginning 2030. A gradual increase is assumed 2024 – 2030.		All newly constructed buildings must have solar beginning in 2024 (commercial) and 2027 (residential)
Retail net energy metering (NEM) and export compensation	Current NEM and export compensation (Fort Collins time of use and other owner communities' flat rates)	New NEM: All communities adopt time of use (TOU) rates and export compensation, summer on-peak 5 – 9 p.m. Non-TOU (commercial) has export rates 5% less than retail	New NEM with exports valued at forecasted wholesale energy market rates	New NEM: All communities adopt TOU rates and export compensation, summer on-peak 5 – 9 p.m. Non-TOU (commercial) has export rates 5% less than retail
Incentive for storage participation in VPP	None	\$150/kW-yr.		\$216/kW-yr.
Storage adoption relative to solar	10% of solar includes storage	30% of solar includes storage	50% of solar includes storage	30% of solar includes storage
Technology factors				
Distributed solar cost	Limited cost decline (historical regional cost + future NREL solar cost decline)	Moderate cost decline (historical regional cost + future NREL solar cost decline)		Aggressive cost declines (historical regional cost + future NREL solar cost decline)
Distributed storage cost	Limited NREL storage cost decline	Moderate NREL storage cost decline		Aggressive NREL storage cost decline

A range of assumptions has been considered. First, the DER Study assessed the impact of federal investment tax credits, with the assumption ranging from early phaseout, in 2028, compared to scheduled phaseout, in 2035, and extended phaseout in 2040. Owner community incentives were also considered, ranging from none to Fort Collins's current incentives, to adoption of Fort Collins incentives by the other three owner communities. In all cases, the incentives were assumed to phase out in 2028, coinciding with the significant increase in Platte River's noncarbon portfolio. The study evaluated new building standards ranging from no solar requirement to increasingly stringent requirements for new construction to include solar.

The study also considered the effect of retail rates, and specifically NEM, on distributed generation solar and distributed storage adoption. NEM refers to the financial compensation customers with solar (and increasingly customers with solar and distributed storage) can receive due to both reduced purchases of electricity from their retail electricity provider and due to selling excess solar and distributed storage output that is exported to the grid whenever solar and storage produce more energy than the customer consumes.

The study evaluated a range of possible NEM rates. The **low scenario** assumed existing NEM rates apply. This includes Fort Collins's existing time-of-use rate, which charges higher rates during on-peak periods (weekdays, 2 to 7 p.m. during summer months and 5 to 9 p.m. in other months) and lower rates all other hours. Exported energy is credited on the same schedule, but at rates that are 10 to 20% lower. The other owner communities largely have static, time-invariant rates and compensate exports at or close to the retail rate.

The **medium and high scenarios** assumed all owner communities adopt a rate structure like Fort Collins and that the summer on-peak period shifts later in the day, to 5 to 9 p.m., for all communities. This is due to anticipated high adoption of solar by customers and by Platte River. This results in reduced demand for energy and ample supply when solar energy is available, followed by higher demand and reduced supply as the sun sets and solar output diminishes and then stops. This is anticipated to lead to higher energy costs as the sun sets and after the sun is down.

The **medium export-rate scenario** is based on the idea that the financial value of solar will erode due to higher solar adoption by customers, Platte River and other utilities in the region; the depression of energy prices when solar is plentiful, followed by elevation of prices as solar is absent. Achieving greater value from the solar energy will require that it be shifted in time, from peak solar hours to hours just after the sun sets, which can be achieved through increased deployment and use of energy storage (whether distributed or utility-scale). Modifying the retail rate to compensate exported solar at the wholesale rate will better reflect the value solar alone brings to the system, and at the same time provide value to customers who adopt and use distributed storage to reduce exports and use more solar energy at the home or business.

The study also assessed the adoption of distributed storage. This is assumed to be driven by rates and the rate structure as well as on assumed incentives that could be paid to customers to adopt distributed storage and to enroll distributed storage in a VPP for dispatch by Platte River. The combined impact of changes to net energy metering, export compensation and VPP incentives, coupled with declines in storage costs, is projected to drive higher adoption of storage with solar –

increasing from the low scenario in which 10% of solar was assumed to include storage to 50% for the medium-export scenario.

Platte River also constructed a fifth scenario which starts with the medium scenario and then shifts over a period of about 10 years to the medium export-rate scenario.

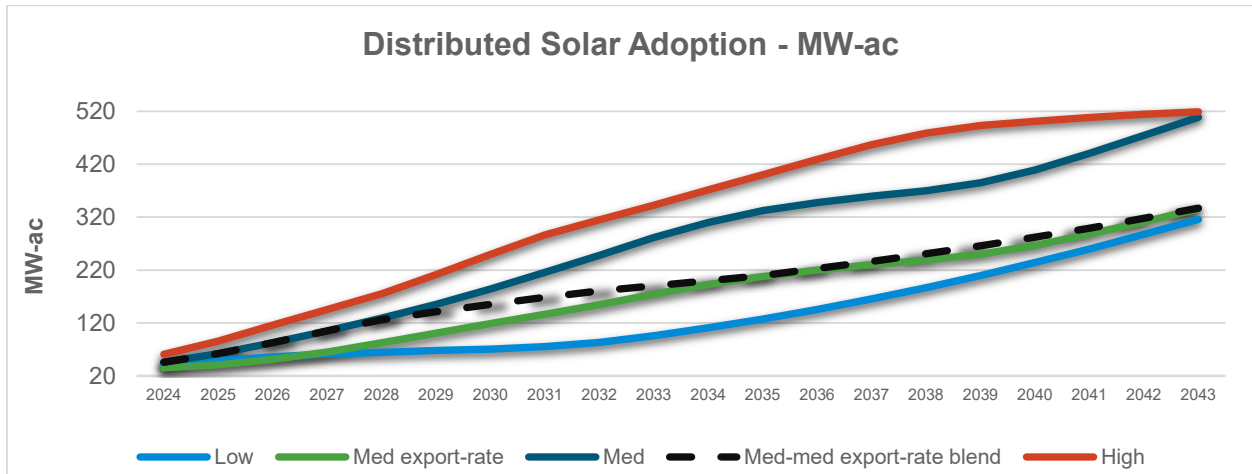


Figure 23. Distributed solar adoption - MW-ac

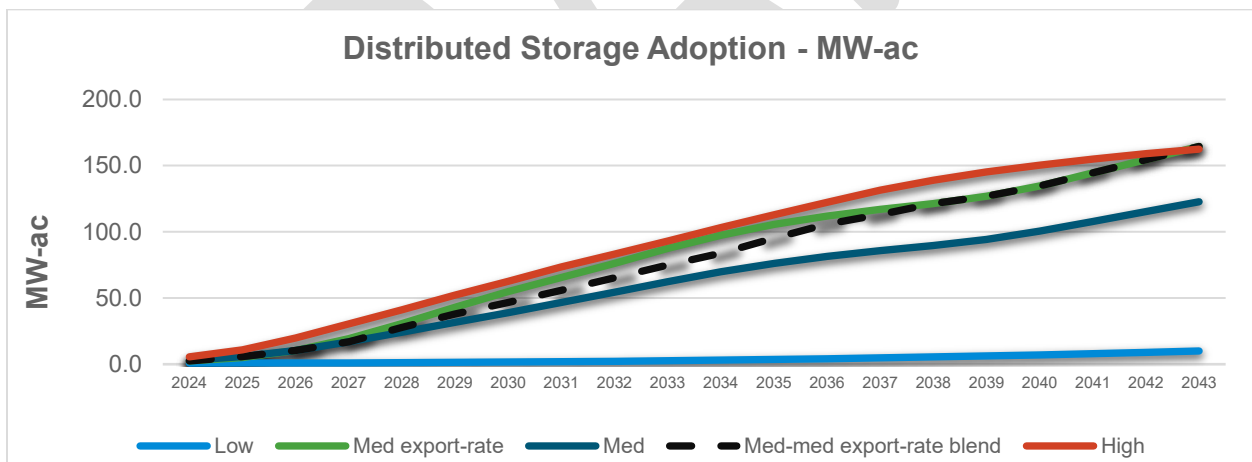


Figure 24. Distributed storage adoption - MW-ac

Monitoring and forecasting distributed generation solar and distributed storage adoption.

The rise of distributed generation within the communities has primarily been driven by individual customers adopting rooftop solar power. Solar energy constitutes around 94% of the existing distributed generation capacity. The remaining capacity is divided among wind (0.02%), cogeneration (4.1%) and hydropower (1%).

The figure below illustrates the growth of distributed solar capacity within Platte River’s network, a result fueled by available federal and local incentives, coupled with customers' economics, and

drive to reduce carbon emissions from electricity generation. As of the end of 2022, estimated distributed solar within Platte River's owner communities totaled 36.3 MW (AC), with 63% from residential solar, 17% from commercial solar, and 20% owned or procured by Platte River or the owner communities.



Figure 25. Cumulative distributed generation solar installed capacity

Between 2017 and 2022, there has been a notable increase in distributed storage deployment, raising the total capacity to about 1.2 MW in the owner communities. This comprises about 175 systems, averaging a discharge rate of about 7 kW per system. Each year since 2017, there has been an increase in interconnections of distributed storage systems, culminating in 2022 with the highest number of installations to date. This significant rise highlights the widespread adoption of storage solutions, particularly battery storage, as a versatile tool for providing backup energy and enhancing the operational efficiency of distributed solar systems.

The DER Study evaluated a range of distributed generation solar and distributed storage adoption scenarios to inform the load forecast used for resource planning and to inform DER planning. Platte River has chosen the blend of the medium and medium-export-rate forecasts. This combination of scenarios represents a gradual change in NEM rates that improves the financial benefit of adopting distributed storage with distributed generation solar. This forecast indicates approximately 155 MW distributed generation solar and 47 MW distributed storage by the end of 2030. This represents 20% annual growth in installed solar capacity and 48% annual growth in storage capacity from current levels. Adoption will continue to be monitored and adjustments will be made to the forecast as more data becomes available.

5.3.7 Flexible DERs and the virtual power plant

As described in previous sections, a VPP is an aggregation of flexible DERs that can be dispatched to support electric system reliability, financial benefits and individual customer benefits. As the

name suggests, the VPP can act like a power plant, but it is different in that it is created by thousands of DER devices operating across the electric system that act in concert enabled by communication, data collection and management, control and optimization technology.

5.3.7.1 Flexible DER and VPP forecast study results

The DER Study included an assessment of flexible DER that could provide VPP capacity. VPP capacity was evaluated using a multi-step approach that considered the technical, economic and achievable potential of flexible DER technology combined with utility program approaches:

- Technical potential assesses the quantity of flexible DER capacity that theoretically exists in the owner community service territory and how it is expected to grow over time.
- Economic potential considers how much of the technical potential is economic compared to other utility resource options. The study relied on the total resource cost test framework, which compares the marginal costs of a VPP resource for Platte River, the owner communities and their customers to the marginal cost of utility resources.
 - The cost of utility resources included hourly energy costs based on forecasted market energy prices, carbon tax, capacity costs based on four-hour storage and distribution capacity costs based on owner community estimates.
 - The cost of achieving VPP potential included utility program administration costs (excluding incentives) and customer DER technology costs.
 - It did not include utility cost of VPP-enabling technology and systems. Enabling technology and systems are required regardless of the decision to offer particular flexible DER programs.
- Achievable potential considers how much of the economic potential can be realized as a dispatchable VPP capacity at the time of system need and considering customer enrollment rates in VPP program.

The potential study assessed achievable capacity at times of high “net load.” This was defined as the load that remains after deducting wind, solar and hydropower. The graph below illustrates what this might look like in 2030. Note that while only one day is shown, there are multiple days each summer that would have a similar, though slightly smaller, peak net load. As a result, flexible DER capacity is required many hours throughout the summer. As electrification increases winter loads at a more rapid rate than summer loads, the need for winter dispatchable capacity will grow as well.

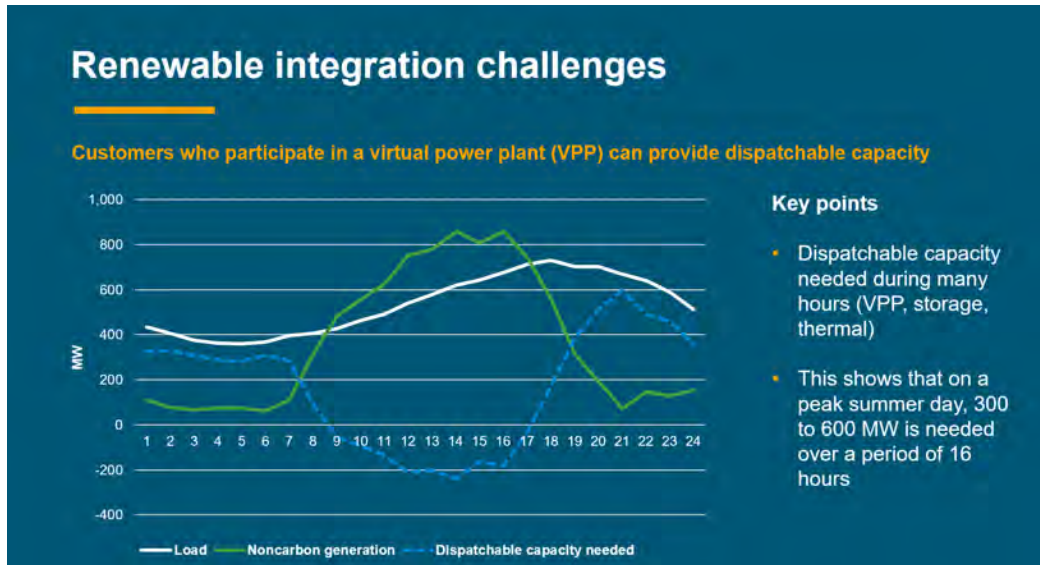


Figure 26. Renewable integration challenges

The DER study assessed a variety of factors that could drive varying levels of achievable VPP capacity. These were combined in four scenarios as shown in Table 6.

Table 6. Primary drivers of achievable VPP capacity

	Low scenario	Medium scenario	Medium export-rate scenario	High scenario
Time-varying rates	Existing residential TOU rates in Fort Collins only (summer on-peak 2 – 7 p.m.)	New residential TOU rates in all owner communities (summer on-peak 5-9 p.m., aligning with net system peak)	New residential TOU with solar exports valued at forecasted wholesale energy market rates	New residential TOU rates in all owner communities (summer on-peak 5-9 p.m., aligning with net system peak)
Program marketing and incentives	Industry-standard marketing and incentives	Industry-standard marketing and incentives	Industry-standard marketing and incentives	Maximum cost-effective marketing and incentives
Efficiency scenario	Low	Low	Low	High
Electric vehicle scenario	Low	Medium	Medium	High
DS solar and storage scenario	Low	Medium	Medium export-rate	High

Within each scenario, a variety of flexible DER approaches were evaluated in an interactive model to determine how various DERs could be combined to provide a sustained reduction in the system net peak, considering the impact of time-varying rates, direct-control programs and each DER's operating characteristics, as summarized in Table 7.

Table 7. Flexible DER operating characteristics - load

Measure Group	Measure Sub-Groups	Characteristics						
		Curtailment Potential	Event Duration (hours)	Pre-charge time	Pre-charge Sizing	Rebound Time	Rebound Sizing (per hour)	Event Frequency (per year)
HVAC Controls	Smart Thermostats	[75%, 33%]	Up to 2 h	1 h	40%	2 h	30%	20
EV Charging	EV Smart Chargers	100%	4 h +	N/A	N/A	6 h	17%	300+
	Vehicle-to-Grid	100%	4 h +	N/A	N/A	6 h	17%	300+
Water Heating	Electric Water Heaters	100%	Up to 4 h	2 h	17%	4 h	17%	15
Other Load Flexibility	Large C&I Curtailment	25%	Up to 4 h	N/A	N/A	N/A	N/A	15

Table 8. Flexible DER operating characteristics - storage

Measure Group	Measure Sub-Groups	Characteristics					
		Size (kW)	Curtailment Potential	Round Trip Efficiency	Typical Event Duration (hours)	Typical Rebound / Pre-charge Time	Typical Event Frequency (per year)
Storage	Battery Storage - Residential	3.3	33%	85%	4 h	4 h	300+
	Battery Storage - Small Commercial	5	100%	85%	4 h	4 h	300+
	Battery Storage - Large Commercial	50	100%	85%	4 h	4 h	300+

Notes:

- For residential, it is assumed 33% of the battery is available for flexible DER program, with the remainder used for customer resiliency.
- For commercial batteries, 100% is assumed available for flexible DER, as batteries are typically used for peak load management, and backup generators are used for resiliency.

From the tables above, the flexibility of EVs and battery storage is apparent, with both having the ability to be dispatched on a near-daily basis, 300 times annually. This provides potential for a highly flexible, available resource that can be used to balance variable noncarbon generation. Flexibility of other DERs, such as HVAC control, large commercial and industrial curtailment and water heater control as expected to have more limitations due to impacts on comfort and productivity.

The following figures summarize the resulting achievable capacity for each of the cases as well as the annual costs in 2030 and 2040. Program costs are strictly incentives and program administration. They do not include VPP system costs. Growth from 2030 to 2040 was driven largely by increasing adoption of battery storage and EVs.

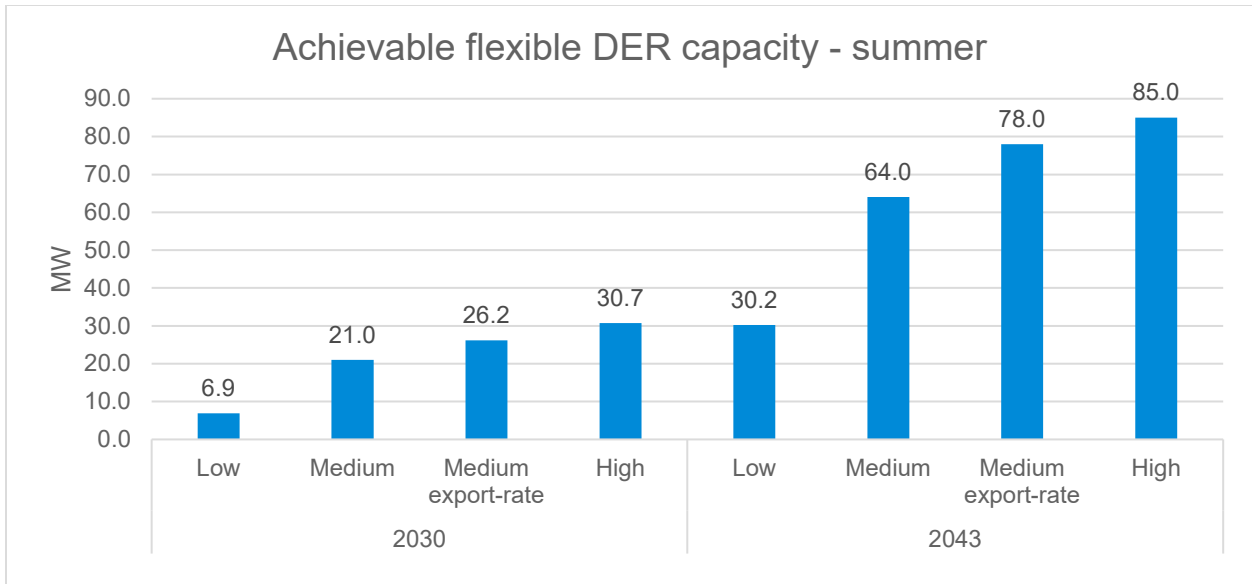


Figure 27. Achievable flexible DER capacity - summer

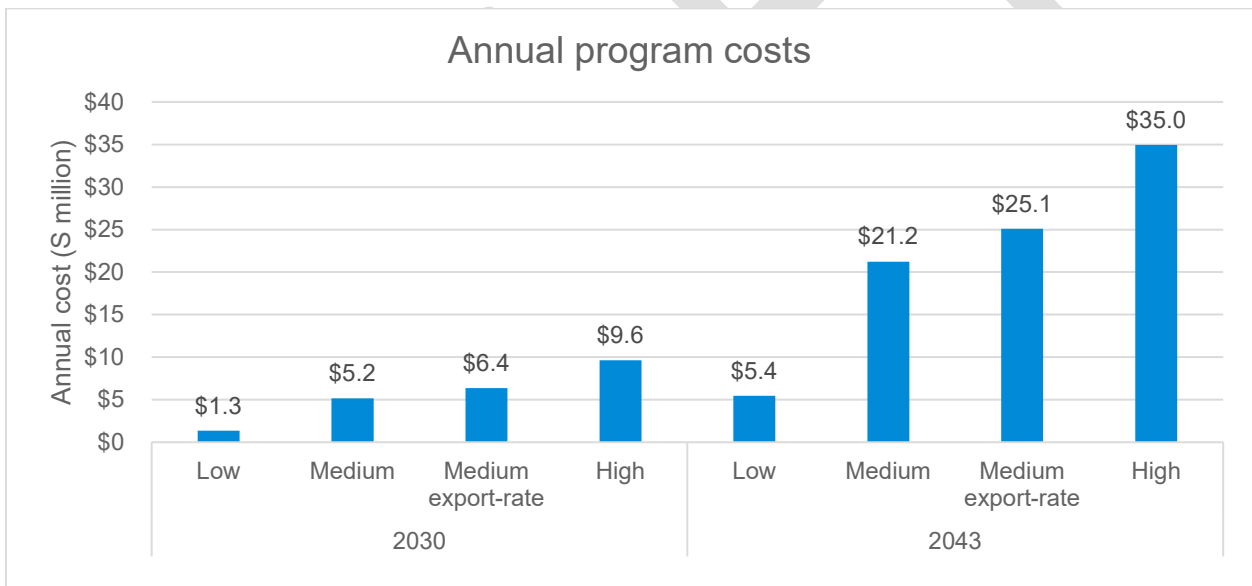


Figure 28. Annual program costs

Key takeaways from the study regarding flexible DERs include the following:

- Summer peak load reductions range from 6.9 MW to 30.7 MW across the different scenarios in 2030.
- The commercial sector is forecasted to have the greatest potential for the low scenario while the residential sector overtakes commercial in the medium and high cases, due to increasing adoption of EVs and distributed storage.

- For the residential sector, battery storage is expected to be by far the most prominent measure in all scenarios except the low one, followed by smart EV chargers and AC smart thermostats in the summer and electric resistance smart thermostats in the winter.
- The commercial demand response potential is primarily driven by large commercial and industrial opportunities, followed by battery storage and water heating

Develop and implement VPP customer programs. Customers who have flexible DERs and are willing to enroll them in the VPP provide the engine for the VPP's operation. Therefore, a major focus of Platte River and the owner communities is to develop customer programs that support customer enrollment and ongoing participation.

Customer programs must support Platte River's goals of providing energy in a manner that is reliable, environmentally responsible and financially sustainable, while also providing benefits to participating customers. The DER Study has identified the following opportunities for flexible DERs that can participate in the VPP:

- Distributed storage management. Distributed storage is expected to grow significantly, often paired with distributed generation solar.
- EV charge management (including vehicle-to-grid when available). EV adoption is expected to grow significantly, providing a large and highly flexible load for the VPP. Vehicle-to-grid is also anticipated to grow, with the potential of providing additional storage to the grid.
- Large commercial and industrial customer custom demand response. These customers are likely to have large and sometimes unique DER opportunities. Platte River anticipates developing custom approaches to support these projects similar to the custom, pay-for-performance incentives currently offered for efficiency improvements.
- HVAC demand response. HVAC demand response programs manipulate electric load for heating and cooling buildings for short periods of time, either through direct control of the heating or cooling system components (e.g., compressor load-control switches) or increasingly, through wi-fi enabled thermostats (i.e., "smart thermostats").
- Electric water heater demand response and storage. Electric water heater demand response takes advantage of the storage that is typically integral to the water heat to allow active heating to be curtailed for brief periods.

Taken together, these resources are anticipated to provide a VPP capable of dispatching 32 MW of capacity by 2030 and 93 MW by 2040. To improve the availability of this capacity, Platte River anticipates enrolling more DER capacity than these values indicate. This is to account for limitations on the flexibility of DERs to consistently provide capacity during the evening peak while respecting customer restrictions on Platte River's and the owner communities' use of their flexible DERs. As a result, the enrolled capacity of the VPP may reach an estimated 70 MW by 2030 and 200 MW by 2040. As experience is gained operating the VPP, it is possible that other uses for the enrolled capacity may emerge.

The VPP is anticipated to include other flexible DERs developed by Platte River and the owner communities. Platte River is in developing plans for 20 to 25 MW of distribution-scale storage to be located within the owner communities. This is expected to bring the total achievable VPP capacity to about 52 MW by 2030 and 113 MW by 2040.

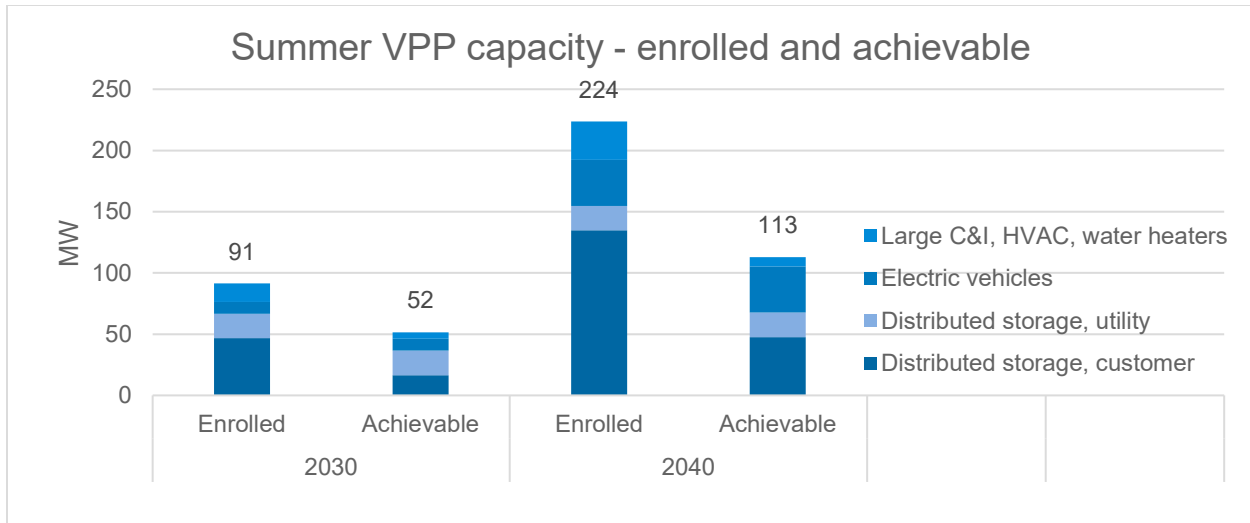


Figure 29. Summer VPP capacity - enrolled and achievable

Achieving a VPP of this magnitude requires a high level of customer participation. The enrolled capacity is projected to include 50,000 DER devices by 2030 and close to 100,000 devices by 2040, drawn from the owner communities' customer base of about 172,000 customers. To achieve this high level of participation, Platte River will collaborate with the owner communities to support customers on their DER journeys. This includes engaging customers as they evaluate their DER options and consider enrollment in the VPP. It is also expected to include providing incentives for enrollment and ongoing participation based on the system benefits their DERs can provide. In addition, Platte River and the owner communities will need to engage with the local, regional and some national market actors in the manufacturing, distribution, sales, installation, and operation of DERs.

As this report is being completed, Platte River is preparing a request for proposals to identify firms experienced in providing VPP customer program deployment to provide a rapid, cost-effective, and customer-focused portfolio of VPP programs.

5.3.8 Summary of selected scenarios for DER and VPP potential

Platte River evaluated a range of DER potential scenarios, ranging from low to high. Table 9 summarizes the scenarios selected for each type of DER and describes the reason the scenario was selected.

Table 9. Summary and logic for selected scenarios

DER type	Selected scenario	Description
Energy efficiency	Low	Low scenario is most consistent with current participation levels, even as Efficiency Works offers some of the highest efficiency incentives in the state.
Building electrification	Medium	Medium scenario is most consistent with observed adoption rates and with increasing local, regional and national support for electrification.
Transportation electrification	Medium	Medium scenario is most consistent with observed adoption rates and with increasing local, regional and national support for electrification.
Distributed generation and storage	Medium-medium export rate	A hybrid scenario starting with medium and shifting to medium export rate was used to reflect current adoption trends and anticipated shifts in net metering policy to favor storing excess solar rather than exporting it.
Virtual power plant / flexible DERs	Hybrid – see description	A hybrid scenario was defined in part by the DER adoption scenarios described above. In addition, EVs that the study assumed would respond to time-varying rates were instead reclassified as being under direct load management to provide greater responsiveness to varying system conditions. The result is that the selected VPP potential is close in magnitude to the high scenario.

5.4 Load forecast with DER (final) 2024-2043

Section 5.2 of this chapter covered load forecast prior to the impact of DERs. In section 5.3, we covered different DERs and saw how much energy and peak demand they contribute (like distributed solar or demand response) and require from the system (like EVs and building electrification). This section discusses the energy and peak demand contribution of each DER and the composite load forecast including the contributions from all the DERs. The composite load forecast including energy and peak demand was used in the Plexos model to develop a supply side portfolio.

5.4.1 Energy contributions of DER

5.4.1.1 Distributed generation

Figure 30 shows the energy contribution from distributed generation, primarily distributed solar. This is shown in negative terms as this is the reduction in customer energy needs from Platte River supply. The bars show energy in gigawatt-hours (GWh) and the solid line shows percent reduction in total Platte River energy. By 2030, distributed generation energy is expected to reduce base energy by 6% and by the end of planning horizon in 2043, it is expected to reduce the predicted base energy by about 13%. Distributed solar produces more energy in summer and less energy in winter but these are annualized values.

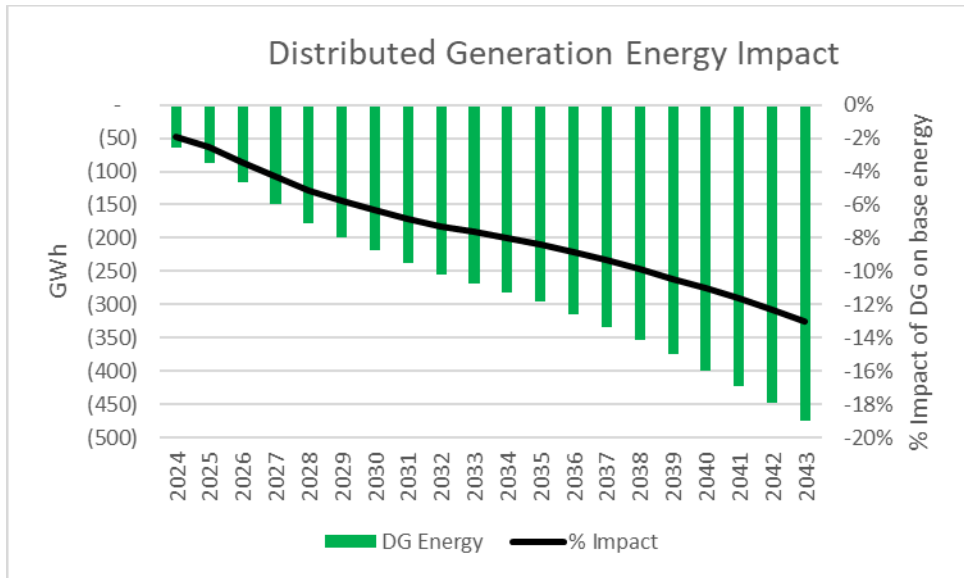


Figure 30. Distributed generation (solar) energy impact

5.4.1.2 Building electrification

Building electrification, mostly consists of heating load, starts from a very small level but is expected to grow rapidly in the next decade. The bars show energy in GWh and the solid line shows the percent increase in the base energy forecast. By 2030, building electrification is expected to increase base energy by 3% and by the end of the planning horizon in 2043, it is expected to add about 19% to the predicted base energy. Being the heating load, most of the building electrification energy requirements will be in winter, but we show annual values in the chart.

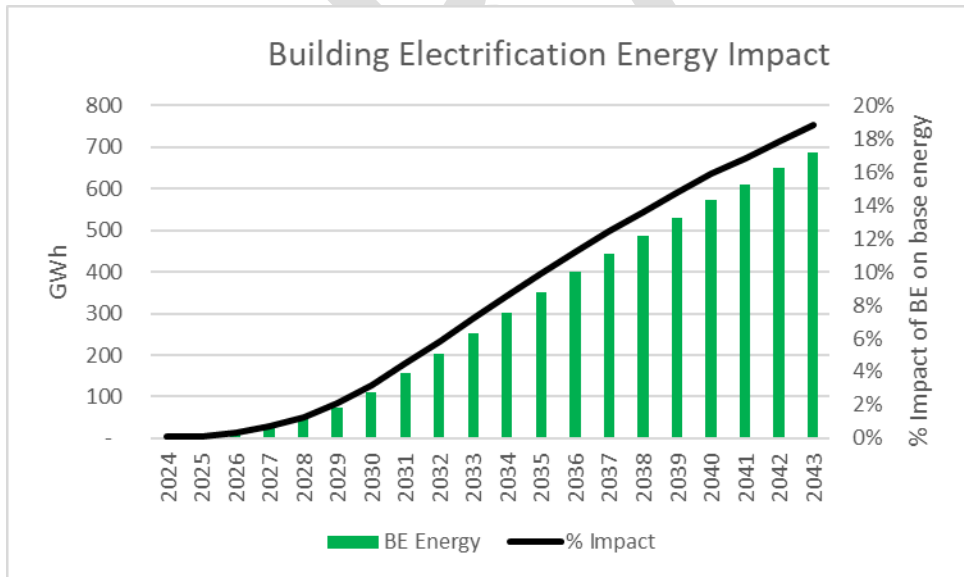


Figure 31. Building electrification energy impact

5.4.1.3 Electric vehicles

EV load starts from a very small level but is expected to grow rapidly in the next decade. The bars show energy in GWh and the solid line shows % increase in the base energy forecast. By 2030, EV is expected to increase base energy by 5% and by the end of the planning horizon in 2043, it is expected to add about 23% to the predicted base energy. These are annual values. EV load is evenly distributed across the year. A portion of the EV load is flexible and exact charging time can be managed by the utility to more opportune times.

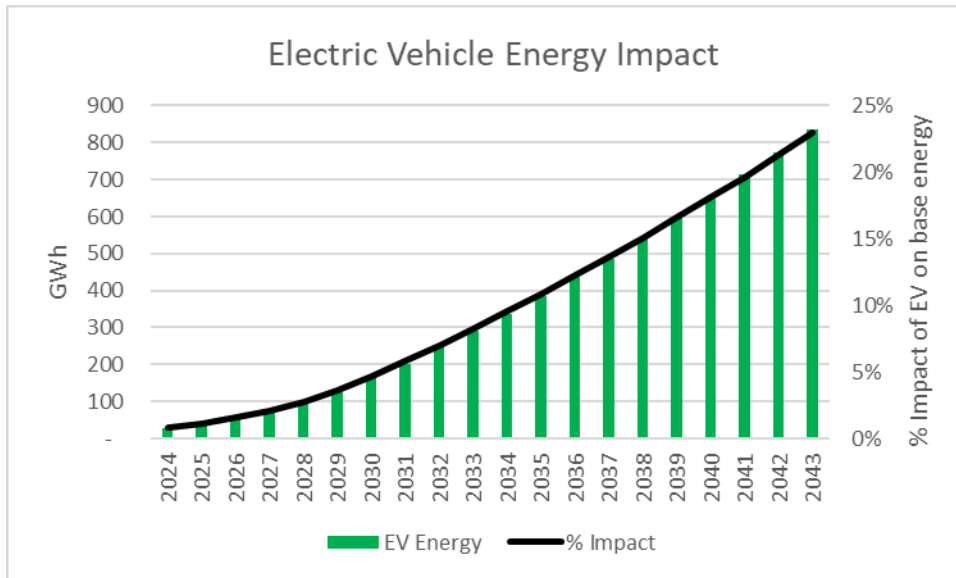


Figure 32. EV energy impact

5.4.2 Capacity contribution of DER

5.4.2.1 Distributed generation

Figure 33 shows the summer peak capacity contribution from distributed generation. This is shown in negative terms as this is the reduction in customer peak demand due to the rooftop solar. The bars show summer peak capacity in MW and the solid line shows percent reduction in total Platte River annual summer peak demand. By 2030, distributed generation is expected to reduce summer peak by 2% and by the end of planning horizon in 2043, it reduces the predicted summer peak by about 3.4%. Although the absolute MW addition of rooftop solar is large, its impact on the summer peak is small due to low Effective Load Carrying Capability (ELCC) value of distributed solar, similar to the utility scale solar. Basically, the incremental contribution of solar to reduce summer peak becomes negligible to zero as more solar is added, and the peak hour moves closer to the sunset.

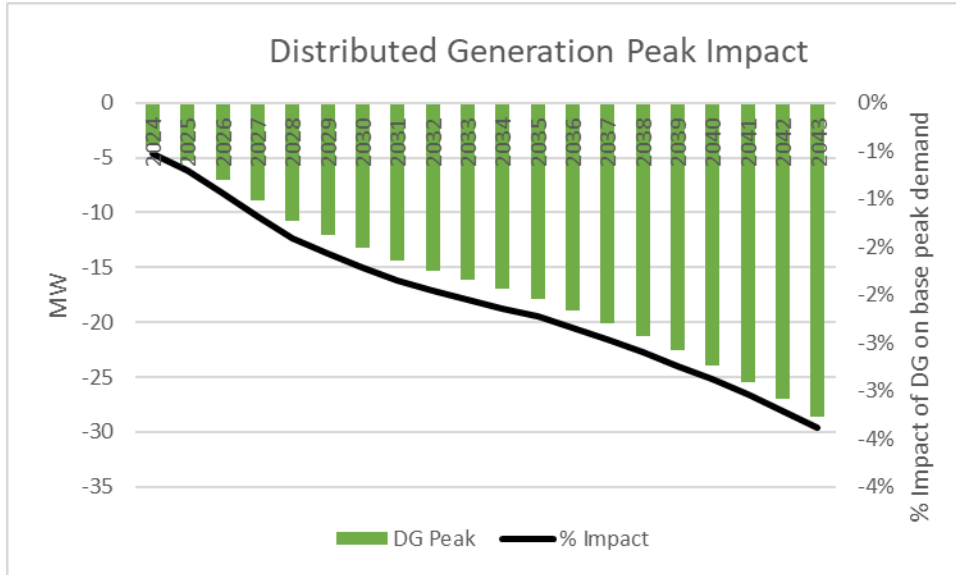


Figure 33. Distributed generation (solar) summer peak demand impact

5.4.2.2 Demand response

Following chart shows the summer peak capacity contribution from demand response or flexible resources such as home battery storage and EV charging load. This is shown in negative terms as this is the reduction in overall customer peak demand. The bars show summer peak capacity in MW and the solid line shows % reduction in total Platte River annual summer peak demand. By 2030, demand response is expected to reduce summer peak by 5% and by the end of planning horizon in 2043, it reduces the predicted summer peak by about 9%.

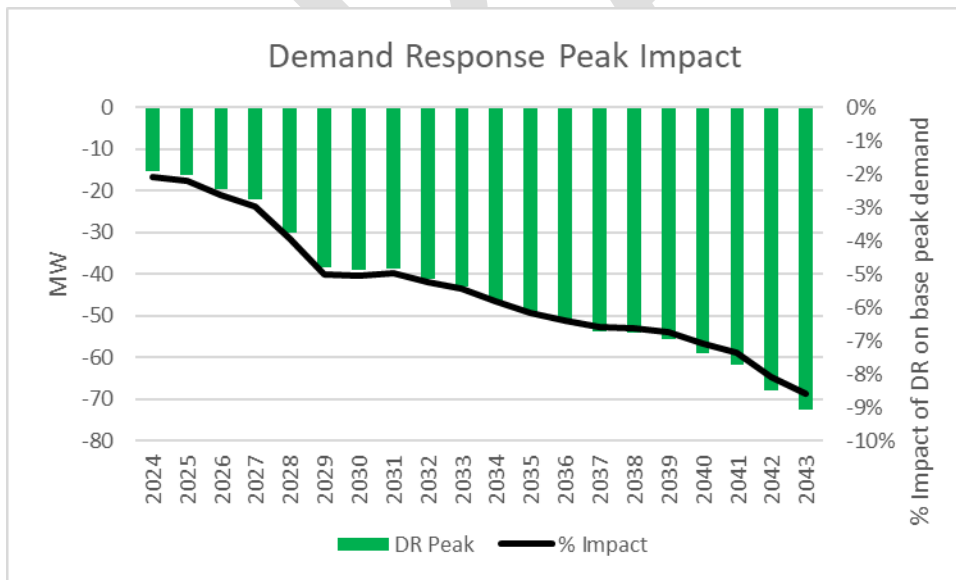


Figure 34. Demand response summer peak impact

5.4.2.3 Building electrification

Building electrification starts from a very small level but is expected to grow rapidly in the next decade. Being the heating load, most of the building electrification contribution is in colder months, so the impact on summer peak demand is fairly small, mainly coming from electric cooking and water heating. The bars show summer peak hour building electrification load in MW and the solid line shows % increase in the base peak demand. By 2030, building electrification is expected to increase summer base peak by about 1% and by the end of the planning horizon in 2043, it adds about 3% to the predicted base summer peak demand.

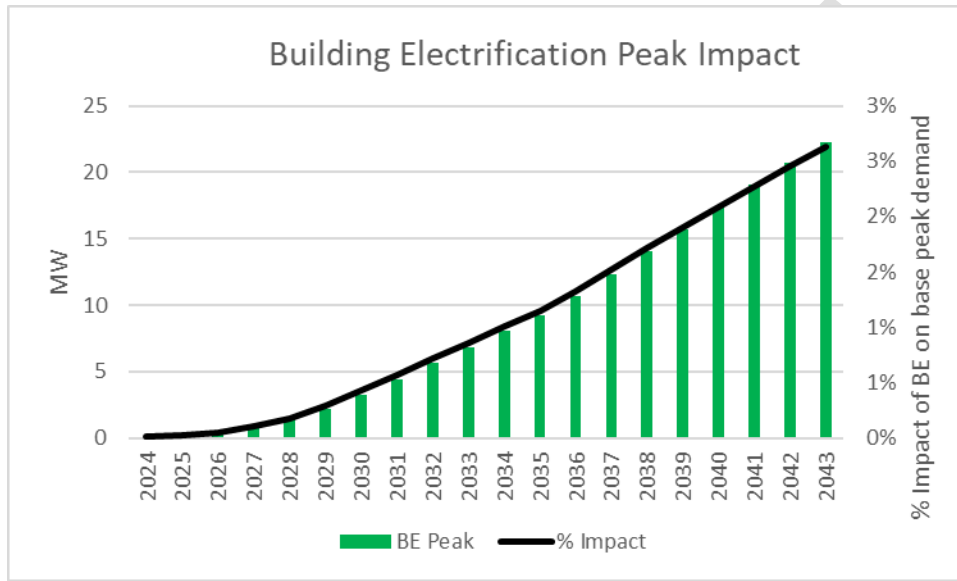


Figure 35. Building electrification summer peak demand impact

5.4.2.4 Electric vehicles

Electric vehicle load starts from a very small level but is expected to grow rapidly in the next decade. This is part of the EV load that is *inflexible* and can't be managed or move away from the summer peak hour. The bars show summer peak capacity in MW and the solid line shows % increase in the summer base peak demand forecast. By 2030, EV is expected to increase summer base peak demand by 3% and by the end of the planning horizon in 2043, it adds about 15% to the predicted base summer peak demand. It is important to note that EV load is flexible and its exact charging time can be managed by the utility to lower summer peak demand. Contribution from the flexible EV charging load is not included in the chart below, because of the assumption that it will be controlled at the time of summer peak hour and moved to a later, lower demand hour.

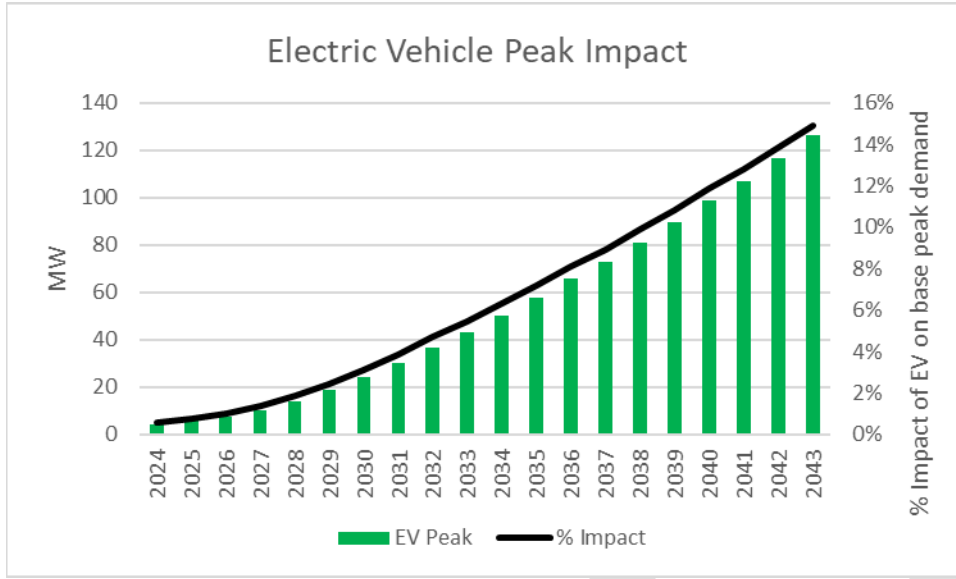


Figure 36. EV summer peak demand impact

5.4.3 Composite load with all DER contributions

Collectively, DERs decrease electric consumption and load growth in early years, due to the presence of distributed generation resources like rooftop solar and demand response programs, offsetting additional load created by electric vehicles and building electrification. However, as adoption of electric vehicles and building electrification increases, the additional load impacts outpace growth in distributed generation, resulting in higher load growth. The combined DER impact trend is similar for annual energy and summer peak demand but the percent impact varies. Figure 37 shows composite annual energy requirements and the combined percent impact of DERs.

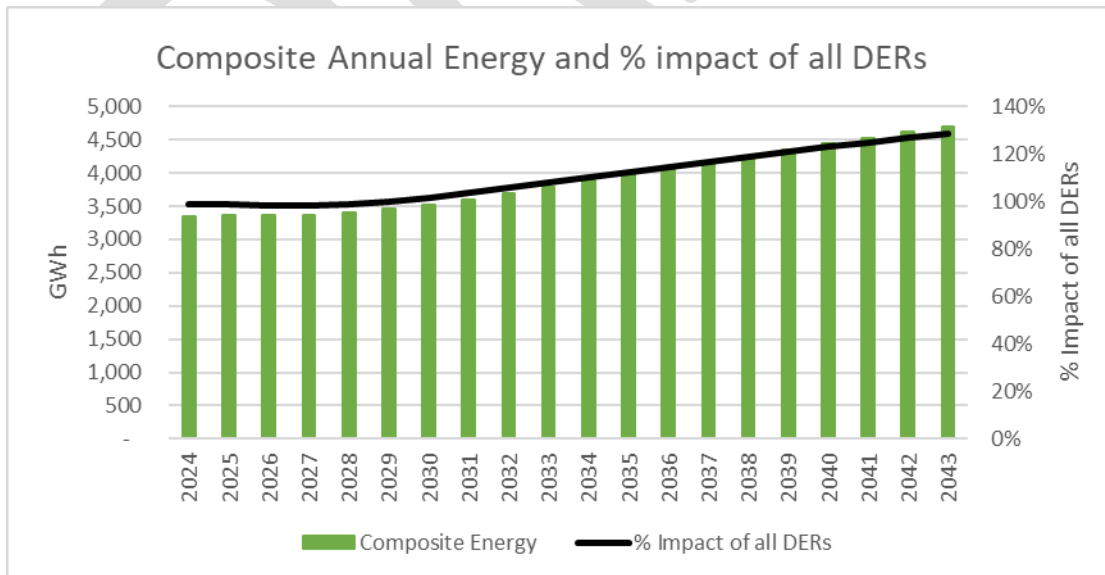


Figure 37. Composite annual energy forecast with combined effect of DERs

The green bars in Figure 37 show composite annual energy in GWh that Platte River’s supply system has to produce, and the solid black line shows combined percent impact of all the DERs. The combined effect of DERs reduces the annual energy through 2029 and increases afterwards, due to rapid increase in beneficial electrification and EV load, reaching almost 29% increase by 2043.

Figure 38 shows composite summer peak requirement and the combined percent impact of DERs. The green bars show composite summer peak demand in MW that Platte River’s supply system will have to provide, and the solid black line shows combined percent impact of all the DERs. The combined effect of DERs reduces the summer peak demand through 2035 and increase afterwards, due to rapid increase in building electrification and EV load, reaching almost 6% increase by 2043. The combined percent impact of DERs on summer peak demand is much lower than the percent impact on annual energy consumption because, the two major DERs, EV and building electrification do not increase the summer peak load as much as they increase annual energy consumption.

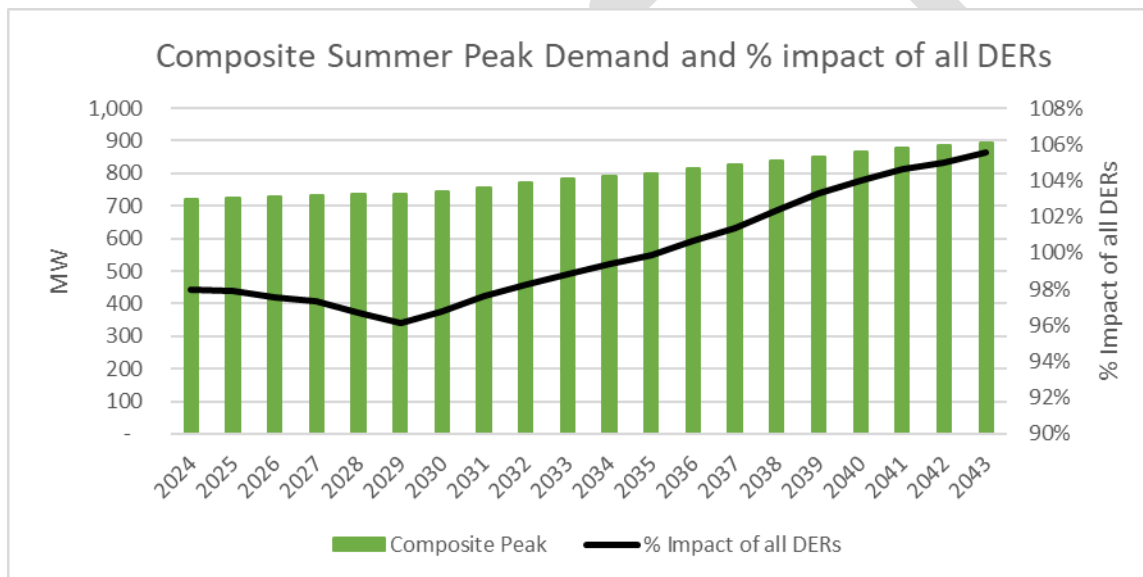


Figure 38. Composite summer peak demand with combined effect of DERs

6. IRP design

6.1 Studies

The following studies were performed to support this IRP. All studies are available on the IRP microsite.

- Reserve Margin and ELCC study by Astrape consulting
- Beneficial Electrification Forecast by Apex Analytics
- Distributed Energy Resources Forecast and Potential Study by Dunsky
- Extreme Weather Events and Dark Calm Analysis by ACES
- Independent Review of dispatchable capacity needs by Black & Veatch
- Low or no carbon emissions technology and fuels assessment by Black & Veatch
- Locational Marginal Prices assessment by ACES
- Fundamental market analysis of supply and demand in the region by Siemens (not available on the microsite)

6.2 Objectives

The objective of this IRP is to continue Platte River's journey toward achieving the goals of the RDP by developing a roadmap to meet the owner communities' needs for reliable, environmentally responsible and financially sustainable energy and services using a diverse power supply portfolio that relies on state-of-the-art supply side and DER resources.

6.3 Planning for a reliable future power supply

Power supply reliability is a key responsibility of a utility. It is a foundational pillar for Platte River's planning and operations. Platte River plans to join a full organized energy market in 2026, which will take over transmission planning and some operation responsibilities. In a market, a load serving entity (or an integrated utility) is required to bring enough resources to ensure reliable supply to its load according to the reliability criteria enacted by the market operator. Markets allow a wider access to improve economics and reliability under varying weather and operating conditions, but they do so by relying on the ample resources contributed by each market participant. This chapter covers reliability modeling in the IRP and the development of different power supply portfolios to cover a wide range of future possibilities.

6.3.1 Power supply reliability

As society's dependence on electricity increases, power supply reliability is becoming more critical. Electric reliability is not only the foundation for commerce; our security and safety depend on it. This

critical dependence became tragically clear when Texas power outages during Winter Storm Uri caused 246 deaths¹⁰ and billions of dollars in economic losses.

Historically, typical threats to power supply reliability included equipment failure (at the distribution, transmission, or generation level) or extreme weather like hurricanes, floods, snowstorms and heat storms. More than 90% of the power supply interruptions or reliability events can be attributed to the breakdown in the distribution system.¹¹

Distribution system interruptions are typically localized and impact a small number of customers. Reliability events that stem from interruptions on the generation or transmission system, or lack of generation, are more widespread and potentially more consequential. With increased reliance on wind and solar generation in the future, an additional threat to reliability will be low or no production of renewable energy from these intermittent resources for extended periods.

In our IRP process, Platte River focuses on planning for reliable, environmentally responsible and lowest reasonable cost power supply portfolios. Some of the major variables that drive power supply reliability in our planning process are:

- Occasional generation equipment failures
- Load forecast uncertainty
- Variability of hourly wind and solar generation patterns
- Occasional extreme weather (such as heat or cold waves)
- Extended periods of low or no renewable generation

After an extensive review of hourly generation profiles of solar and wind, we found that there are certain times when there is very little or no renewable generation for extended periods of time. We label these incidents as dark calms. We have found that the dark calm events occur frequently and can last from a day to as long as seven days.

Power supply reliability is the ability of a power system to keep the lights on under changing supply and demand conditions. Electric utilities must plan, design, construct and operate an electric supply system to always ensure reliability of supply. Figure 39¹² shows different aspects of grid reliability on a time scale from milliseconds to decades.

There are a few additional terms used under the broad umbrella of reliability:

- **Adequacy** is a measure of the ability of a power system to meet the electric power and energy requirements of its customers within acceptable technical limits, considering scheduled and unscheduled outages of system components.
- **Security** is the ability of the power system to withstand disturbances.

¹⁰ [Texas winter storm: 246 Texans' deaths classified as winter-storm related \(kxan.com\)](https://www.kxan.com/news/2021/02/24/246-texas-deaths-classified-as-winter-storm-related/)

¹¹ <https://www.energy.gov/articles/economic-benefits-increasing-electric-grid-resilience-weather-outages>

¹² <https://www.energy.gov/sites/prod/files/2017/01/f34/Transforming%20the%20Nation%E2%80%99s%20Electricity%20System--Summary%20for%20Policymakers.pdf>

- **Resilience** is the ability to adapt and recover from a disruption in a minimal time and with minimal impact.

While the above definitions of reliability and related concepts are general, over the years the power industry has developed specific metrics and methods to plan for a reliable supply portfolio as discussed in the next section. A starting point for developing a reliable power supply is a resource adequacy study. This study simulates a future power supply portfolio under varying conditions of power supply and power demand to assess its reliability as discussed below.

6.3.2 Planning for a reliable future portfolio

6.3.2.1 Reliability metrics for planning

The North American Electric Reliability Corporation, the regulatory authority tasked to assure reliability and security of the electric grid in North America, defines requirements for resource adequacy in Standard BAL-502-RFC-02¹³. The standard requires utilities to “calculate a planning reserve margin that will result in the sum of the probabilities for loss of load for the integrated peak hour for all days of each planning year analyzed being equal to 0.1”. This metric is also referred to as Loss of Load Expectation (LOLE) of 0.1 per year or LOLE of one day in 10 years, or sometimes, as “One Day in Ten Years” (ODTY). This metric has been widely used in planning studies since the early days of modern power systems¹⁴.

This metric has traditionally guided investment in generation to provide an acceptable level of reliability and has been accepted as the optimal target. Historically, ODTY or 0.1 day LOLE per year has required utilities to maintain a 10-15% PRM. PRM is defined as the percent additional firm capacity relative to the peak demand in a future year. Specifically,

$$PRM = \frac{\text{Firm Capacity} - \text{Peak Demand}}{\text{Peak Demand}}$$

Historically, PRM covered the planned or unplanned outages (breakdowns of equipment) and load forecast error due to weather and economic growth uncertainty. Following the retirement of dispatchable coal generation (which provided firm capacity) over the past decade, and with the introduction of intermittent renewable generation resources, the structure of power supply portfolios is rapidly changing.

LOLE of 0.1 day per year is still the dominant metric in the power industry but some alternatives are being proposed and debated¹⁵. The main criticism of 0.1 day LOLE per year metric is that this probabilistic calculation does not adequately measure the depth (how much power was lost, or how many customers lost power), breadth (how long power was lost) and the frequency (how often power was lost).

¹³ <https://www.nerc.com/pa/Stand/Reliability%20Standards/BAL-502-RFC-02.pdf>

¹⁴ https://www.astrape.com/wp-content/uploads/2024/01/EISPC_The_Economic_Ramifications_of_Resource_Adequacy_White_Paper.pdf

¹⁵ https://www.cpuc.ca.gov/-/media/cpuc-website/divisions/energy-division/documents/resource-adequacy-homepage/ra_t3b2_workshop-1_presentation-telos-and-gridlab.pdf

In a recent report¹⁶, EPRI summarized the existing and proposed metrics, arguing that a single metric such as ODTY may conceal some risks and may not be able to sufficiently capture the future challenges to the power grid from:

- Rapid decarbonization of power supply with the retirement of dispatchable resources and adoption of intermittent renewables, such as Platte River’s goal of 100% noncarbon energy portfolio by 2030.
- Adoption of electrification in transportation and heating.
- Adoption of DERs with wider customer involvement.
- Climate change and extreme weather events.

With the introduction of renewable generation, the concept of planning for “The Peak Hour” of the year is giving way to planning for every hour in the year. The hour when the system experiences peak demand is less important than the load net of renewables. For example, Figure 40 from New York ISO¹⁷ shows that typically they experience peak demand between 3-4 p.m. in July but due to solar generation, the net peak demand is lower and shifts to 5-6 p.m. The old idea of planning for the peak load hour is giving way to planning for the net peak hour, or preferably, every hour.

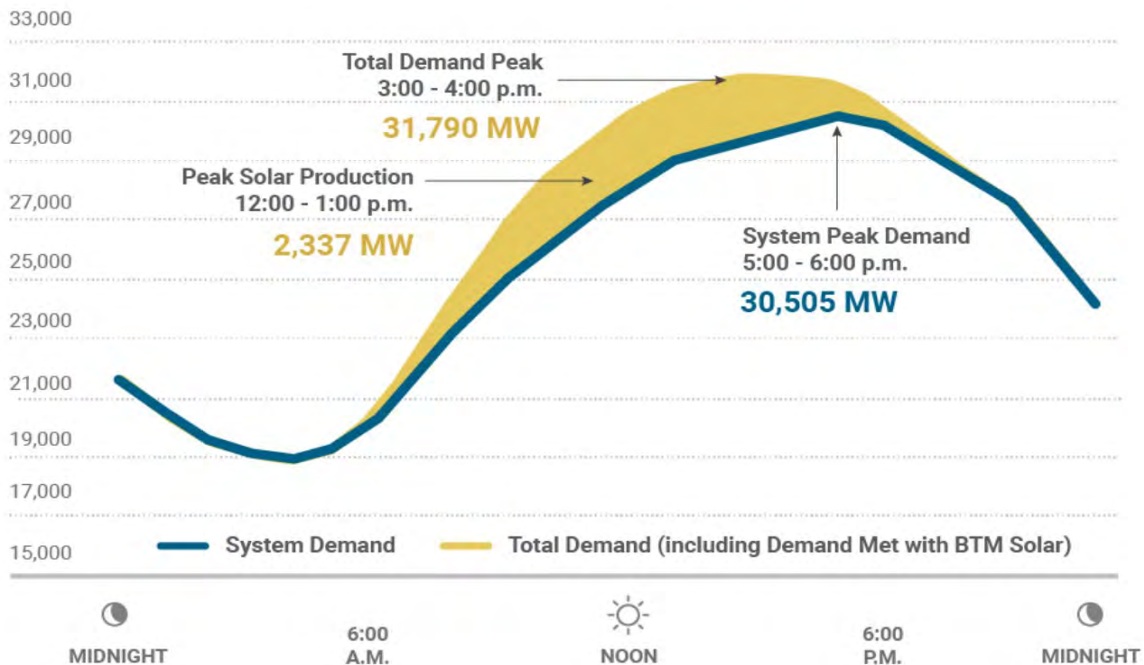


Figure 39. Planning for the peak hour

¹⁶ <https://www.epri.com/research/products/00000003002023230>

¹⁷ <https://www.nyiso.com/-/shaving-peaks-with-the-sun>

Similar phenomenon is experienced in other parts of the country. Wind generation can have a similar impact of shifting the net peak demand to different hours. In fact, the Western Electricity Coordination Council (WECC), the entity responsible for assuring reliability of the electric grid in 13 western states including Colorado, is proposing to estimate resource adequacy for every hour targeting an hourly LOLE of 0.002%¹⁸.

6.3.2.2 Platte River PRM for future planning

For the 2020 IRP, Platte River used a 15% PRM as the reliability metric. With the changing portfolio mix in the region¹⁹ and with the backdrop of ongoing discussions in the industry, we engaged Astrape Consulting to perform a resource adequacy²⁰ study for this 2024 IRP. This study computed PRM and ELCC²¹ of intermittent renewable resources, small amounts of energy battery storage and DERs. The study focused on the year 2030 and modeled the Platte River supply portfolio along with other utilities in Colorado. The study assumed these utilities will develop power supply portfolios projected in their respective IRPs and will be part of a functioning market. The study concluded that all Colorado utilities including Platte River would need a PRM of 19.9%. This value, though higher than the 2020 IRP PRM of 15%, aligns with the WECC recommended Planning Reserve Margin Index or Variability Margin Index in its 2023 Western Assessment of Resource Adequacy²² report. Power markets like the Midwest ISO and SPP are also looking at higher PRMs than they previously had recommended due to coal retirement and more intermittent energy integration.

Astrape proposed a PRM of 19.9% for 2030 after an exhaustive analysis of Colorado utilities including Xcel Colorado, Colorado Spring Utilities and Black Hills Colorado, in their modeling platform Strategic Energy & Valuation Model, which is used by major U.S. utilities and several regional power pools. Astrape modeled major uncertainties like weather by using 42 years of historical data for hourly wind, solar and load shapes, three to five days of dark calms, five scenarios of future load forecast error and 300 scenarios of generation availability for a total of 63,000 simulation scenarios for each hour of the year 2030. This comprehensive analysis produced the relationship between LOLE and PRM as shown in Figure 41.

¹⁸ https://www.wecc.org/_layouts/15/WopiFrame.aspx?sourcedoc=/Reliability/2022%20Western%20Assessment%20of%20Resource%20Adequacy.pdf&action=default

¹⁹ Platte River has filed a voluntary clean energy plan committing to reduce its 2030 CO2 emissions by at least 80% from the 2005 levels.

²⁰ <https://www.prpa.org/wp-content/uploads/2023/11/2024IRP-PRM-and-ELCC-study-by-Astrape.pdf>

²¹ ELCC of a resource can be defined as the measurement of that resource's ability to produce energy at the time of peak demand.

²² <https://www.wecc.org/Administrative/2023%20Western%20Assessment%20of%20Resource%20Adequacy.pdf>

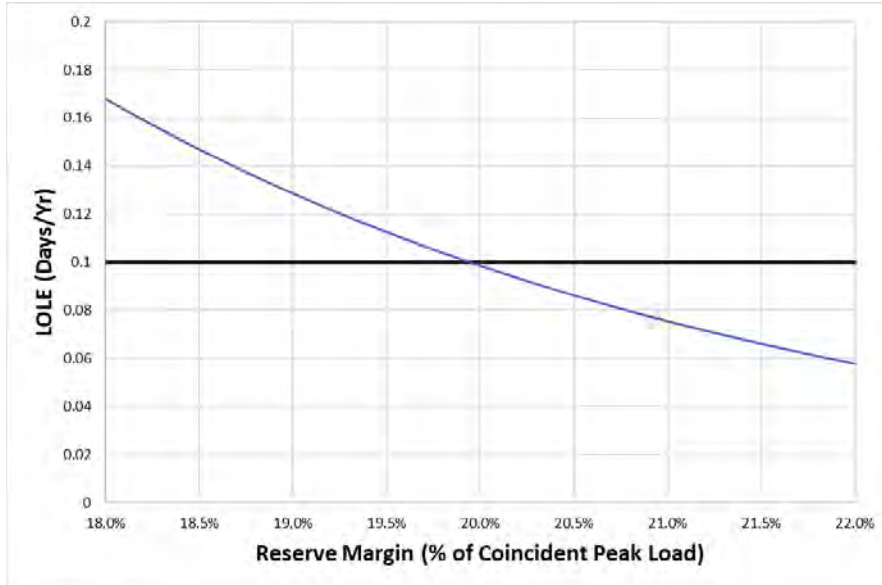


Figure 40. The relationship between LOLE and PRM

At 0.1 day LOLE per year, the PRM is 19.9%. If we were to build a more reliable system with a LOLE of 0.06, or one outage every 16 years, we will need a PRM of 21.8%. On the other hand, a LOLE of 0.16 with an expected outage every six years will require a PRM of 18.4%. Essentially, the more spare capacity we have, the less likely we are to face a supply shortage or LOLE.

As mentioned earlier, EPRI recommends not relying on one metric. There are many metrics being considered by utilities and other entities. In addition to the PRM, we used Loss of Load Hours (LOLH) in our IRP modeling. LOLH measures the average duration of outages. We used LOLH 0.2 during reliability testing of our portfolios.

6.3.2.3 ELCC values for renewables and limited energy resources

The ELCC of a renewable or energy limited resource is equivalent to a reduction in contribution to peak demand from these resources. For example, 100 MW from a coal or gas fired plant can provide 100 MW at the time of peak. When running at full load, it will reduce the peak load by 100 MW. The ELCC of this resource is 100 MW or 100%.

A 100 MW of wind, solar or four-hour battery may or may not be able to provide 100 MW at the peak time. This means its ELCC will be lower than the nameplate capacity. This can be seen for solar generation in the example shown in the following chart. It shows hypothetical hourly load and solar generation forecast for a summer day in 2030 for Platte River system.

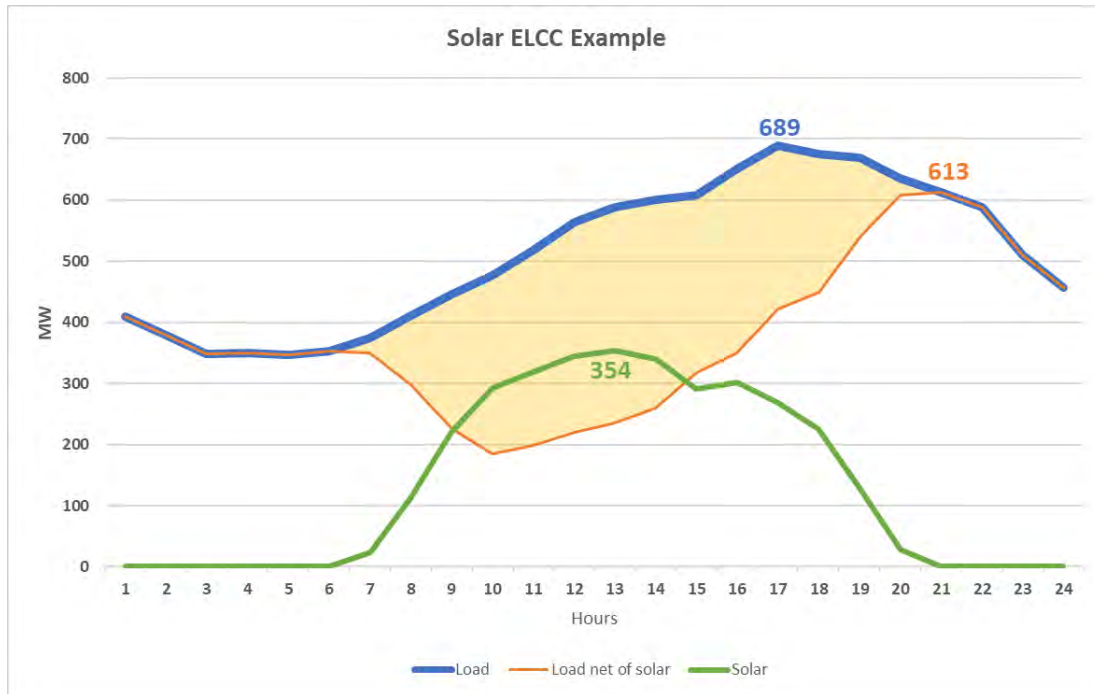


Figure 41. Solar ELCC example

The blue line shows hourly load for 24 hours across the day. The peak load during the day is 689 MW at hour 17 or 5 p.m. The green line shows solar generation. It starts around 6 a.m., peaks at 354 MW at 1 p.m. and drops to zero by 9 p.m. The orange line shows hourly load net of solar generation. Solar generation reduces the load by the shaded area. The orange line shows that the peak hour of the load has shifted from 5 p.m. to 9 p.m. and is 613 MW. So, the solar generation has reduced the peak demand by 76 MW (689 less 613). While the maximum solar generation is 354, the nameplate of installed capacity of solar is 507 MW in this example. For this day, solar ELCC is $76/507=15\%$. In other words, installed capacity of 507 MW reduces the peak demand by 76 MW, or the effect solar had on the peak is that it reduced it by 76 MW.

As we install more solar, its impact on reducing peak will be zero since the peak demand hour has already moved to 9 p.m., after sunset when solar stops producing. In this example, the incremental ELCC of solar after 507 MW is zero. This example shows just one hypothetical day. In reality, ELCC calculations are computed after thousands of simulations under different load and weather conditions.

ELCC of wind and other resources follows the same declining pattern with more resource additions. As more wind is added, the incremental contribution of the next wind project to reduce peak demand continues to decline. Figure 43 shows the ELCC values of solar, wind and four-hour storage through time as computed by Astrape consulting and used by Platte River in this IRP modeling. As utilities in Colorado add more of these resources over time, their ELCC contributions go down.

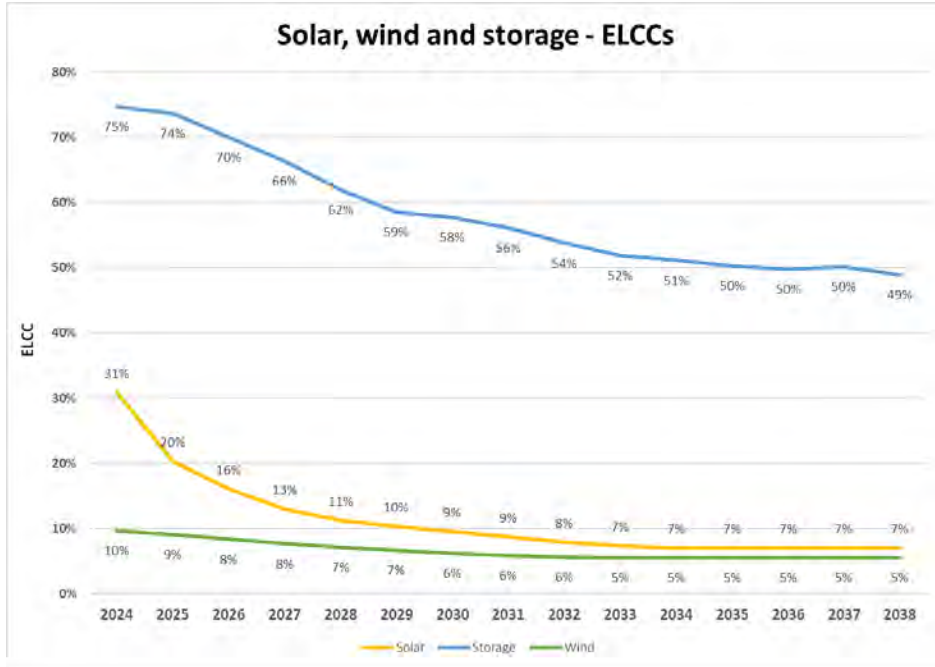


Figure 42. Platte River ELCC values of solar, wind and four-hour storage

Table 10 shows ELCC values of longer duration battery storage and some DER technologies computed by Astrape and used by Platte River in this IRP. The installation of more resources of the same type reduces its ELCC. For example, the ELCC of distributed solar is 8.5% if the Colorado utilities install 500 MW and drops to 5.8% when 4,000 MW are installed.

Table 10. ELCC values of long duration energy storage and DERs

Technology	Penetration (MW)	Average ELCC (%)	Marginal ELCC (%)
8-hour batteries	500	92.7%	91.6%
8-hour batteries	1000	90.5%	84.4%
8-hour batteries	1500	87.0%	75.6%
100-hour batteries	500	92.7%	91.6%
100-hour batteries	1000	91.9%	90.8%
100-hour batteries	1500	91.4%	90.0%
DG Solar	500	8.5%	7.9%
DG Solar	1000	8.0%	7.2%
DG Solar	2000	7.2%	5.8%
DG Solar	4000	5.8%	2.9%
BE	100	6.9%	7.4%
BE	200	7.3%	8.2%
BE	300	7.8%	9.0%
EV	100	32.0%	33.6%
EV	200	33.8%	37.3%
EV	300	35.7%	41.0%
DR	100	92.3%	87.3%
DR	200	87.1%	77.8%
DR	300	82.6%	70.4%

6.3.2.4 Extreme weather and dark calm modeling

Winter Storm Uri, which brought blackouts to Texas and stressed power supply across a much wider area, also impacted power supply in our area. Due to extremely cold weather for many days, demand for electricity continued to rise. Additionally, there was very little renewable generation for almost 80 hours during Feb. 12-16, 2021, as shown in Figure 44.

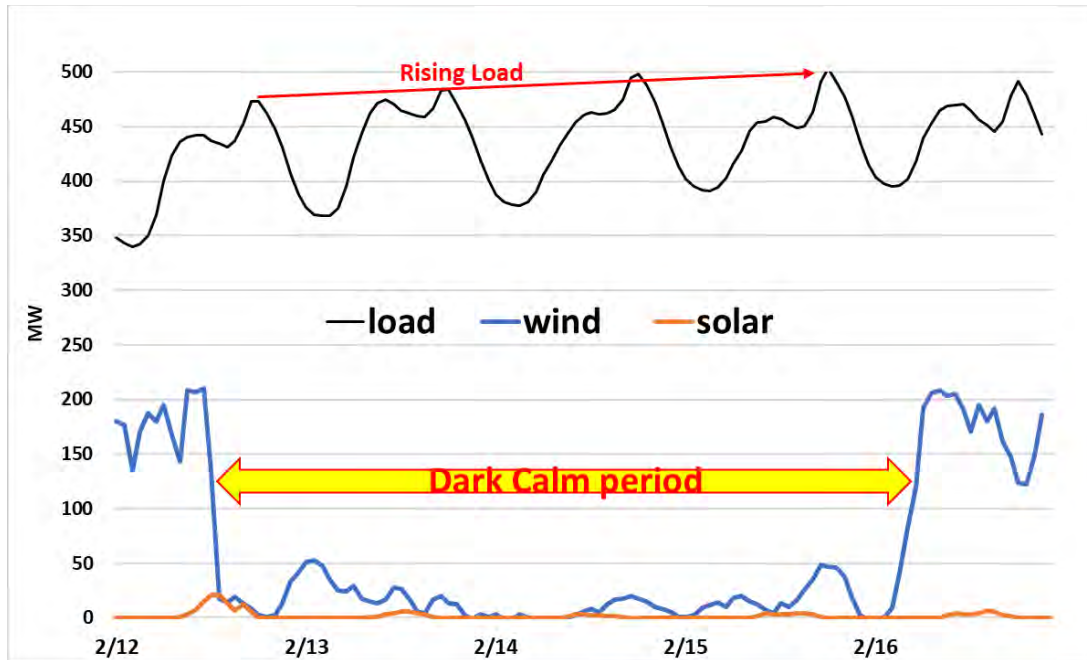


Figure 43. Dark calm event experienced by Platte River during Winter Storm Uri

During this 2021 dark calm, Platte River was able to serve its customers' load reliably due to the availability of dispatchable coal resources. Following the retirement of coal in 2030, we may experience similar or even more severe dark calms. A fundamental requirement of an IRP is to develop supply portfolios that will be reliable under varying conditions of weather, previously experienced or not. This led us to hire ACES to conduct a study on extreme weather and dark calm events²³.

ACES reviewed hourly weather profiles for 70 locations west of Mississippi for the past five decades (1973-2019) with a focus on estimating the frequency, duration and depth of extreme weather and dark calm events. Since these events are uncommon, ACES had to review weather data across a wide region and over a long period of time to enhance confidence in the findings. Figure 45 shows locations of the airports where data was collected.

²³ <https://www.prpa.org/wp-content/uploads/2023/04/2024IRP-Extreme-weather-events-and-Dark-Calm-Analysis-by-ACES.pdf>

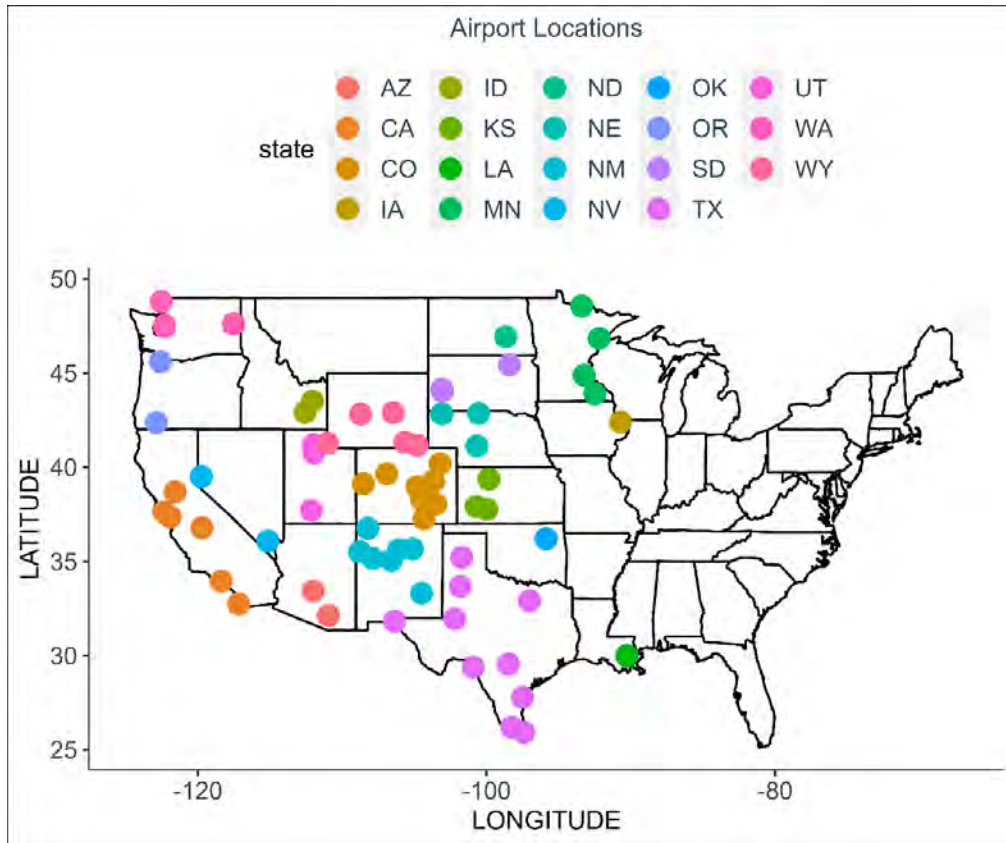


Figure 44. Locations of extreme weather events

6.3.2.5 Extreme weather events

The study found the following durations and frequencies of heat and cold waves:

Table 11. Heat wave summary - west region

Heat Wave Summary – West Region						
	48 Hours	72 Hours	96 hours	120 hours	144 hours	168 hours
Events per year	0.47	0.02	0.09	0.04	0.021	0.043

This means every other year, there is a heat wave lasting two days and every 11th year, there is a heat wave lasting four days.

Table 12. Cold wave summary - west region

Cold Wave Summary – West Region													
Number of Hours	48	72	96	120	144	168	192	216	240	264	288	312	336
Events per year	4.9	1.7	0.9	0.4	0.17	0.08	0	0	0	0	0	0	0

This data shows cold waves are more common with five two-day events every year and a weeklong event almost every 12th year.

The study also found that load, power and gas prices rise during these extreme events and noted these increases during winter storms Uri and Elliot and the 2020 summer heat wave in the Pacific Northwest. Since our focus with extreme weather modeling is on reliability, we focused on extreme weather impact on load only. The study found that during these events, on average, the load could increase by about 10% relative to the normal load during that time of the year. So, for reliability assessment during extreme weather, we increased the hourly load by 10%.

6.3.2.6 Dark calm events

Frequency and duration of dark calm events was assessed for the Midwest Independent System Operator (MISO) North, covering parts of Illinois, Indiana, Wisconsin and Michigan; MISO Central, covering parts of Minnesota, Iowa and North Dakota; and the Electric Reliability Council of Texas (ERCOT), covering the northwest part of Texas. Table 13 shows the frequency and duration of different levels of dark calm events.

Table 13. Dark calm events by location

Dark Calm Events by Location				
% of Full Output	48 Hours	72 Hours	96 Hours	120 Hours
MISO Central				
5%	3.0	1.25	0.5	0.25
10%	11.2	5.6	2.4	2.0
15%	6.2	11.4	3.8	4.8
MISO North				
5%	1.0	1.0	0.67	0.0
10%	5.0	1.75	0.5	1.0
15%	2.2	3.0	1.2	2.0
Northwest ERCOT				
10%	3.8	1.0	0.2	0.2
15%	3.2	3.4	3.0	1.2

As shown in the table, a dark calm event in MISO Central where the output of renewable drops to 5% of total generation occurs:

- Three times during the year for two days every year
- Once per year for three consecutive days
- Every other year for four consecutive days
- Every four years for five consecutive days

Dark calm events where output of renewables drops to 10% of total generation are more frequent than events where renewable generation is only 5% of total generation. Dark calm events are less intense and less frequent in MISO North and Northwest ERCOT.

To parameterize the Plexos model, we averaged the two 5% rows for MISO Central and MISO North. Multiplying the probability of an event's occurrence with its duration yields the expected outage hours in a given year for that event. For example, an average of two events with a duration of 48 hours means any given year would expect a total of 96 dark calm hours due to events lasting two days. Since the events are non-additive, we sum all the expected hours to find the total expected dark calm hours in a year. In this case, an average year would see a total of 248 hours of dark calm spread across events of different durations.

Table 14. Dark calm event duration and frequency

Dark calm duration (hours)	48	72	96	120	Total dark calm hours
Average # of dark calm events across all regions (5% of full output)	2.000	1.125	0.585	0.125	
Expected dark calm hours per year	96	81	56.16	15	248.16

6.3.2.7 Transmission planning

Platte River conducts annual transmission assessment studies to plan for a system that adequately supports both short and long-term load obligations to the owner communities. The studies are completed using transmission network modeling software, integrating forecasted owner community loads, existing and planned generation, along with loads and generation from neighboring utilities.

Short-term studies evaluate system needs under the current transmission network configuration, integrating projected short-term load and generation forecasts. Evaluation of long-term transmission requirements includes long-term load and generation forecasts in conjunction with both the current transmission system and planned transmission additions.

The study objectives are for the transmission system to perform reliably during extreme contingency situations, heavy or light load conditions and fault events. In the event a study identifies network deficiencies, further analysis follows to determine network expansion options to mitigate those deficiencies. Transmission studies are conducted during annual internal assessment activities, along with collaborative studies in conjunction with regional transmission planning committees.

6.3.3 Need for new resources

As explained in chapter 5, we forecast our future energy needs as annual peak demand (maximum demand in any hour) and total annual energy for every hour of the year. For supply side planning, we adjust these values with DER contribution from our customers. The net peak demand and energy demand are what Platte River needs to plan for through this IRP process. As discussed earlier in this chapter, Platte River is planning to meet its future peak demand with 19.9% PRM to ensure reliability of supply. We also discussed that renewable and energy limited resources contribute ELCC capacity toward the peak demand which is lower than the maximum or the nameplate capacity.

Figure 46 shows the capacity requirements and the capacity contribution from the existing and committed resources.

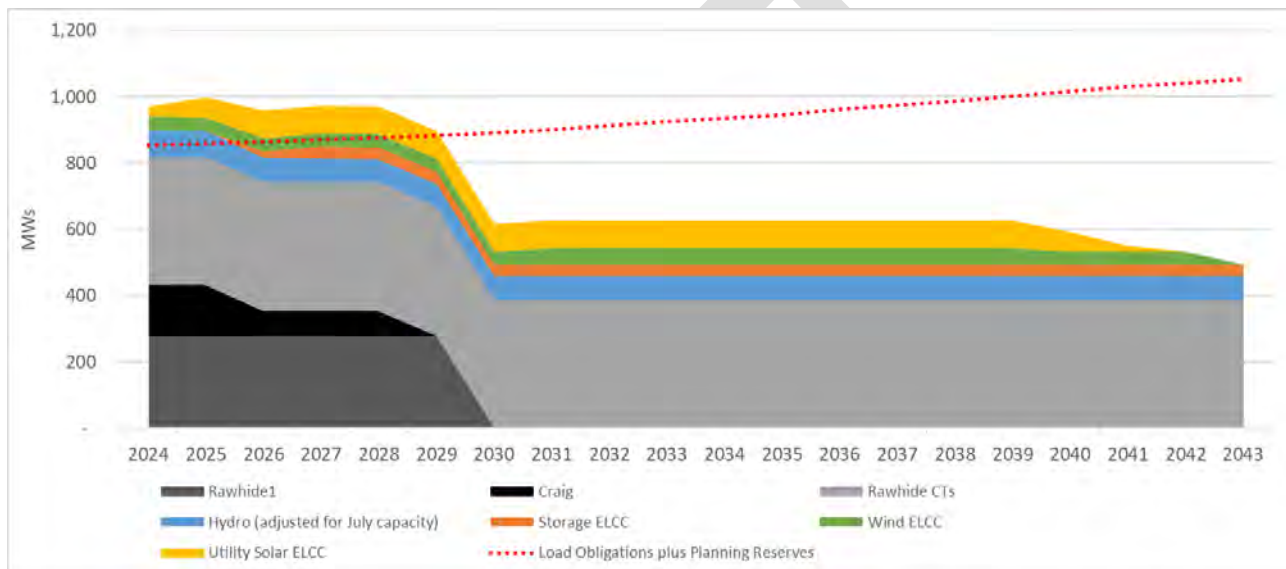


Figure 45. Future capacity needs

The dotted red line shows the capacity requirement while the area chart shows the capacity available. By 2029 following the retirements of Craig coal units, Platte River would need to build some new capacity, and by 2030 with the retirement of Rawhide coal plant, the capacity requirement rises to about 200 MW. The gap continues to expand as our load continues to increase and when our existing wind and solar PPAs reach their maturation date. The IRP process offers recommendations to fill this gap with the lowest cost, least emitting reliable resources.

Figure 47 shows similar chart depicting the energy deficit that will need to be filled in this IRP. Note small changes in renewable energy from year to year are due to projected changes in excess or dumped renewable generation.

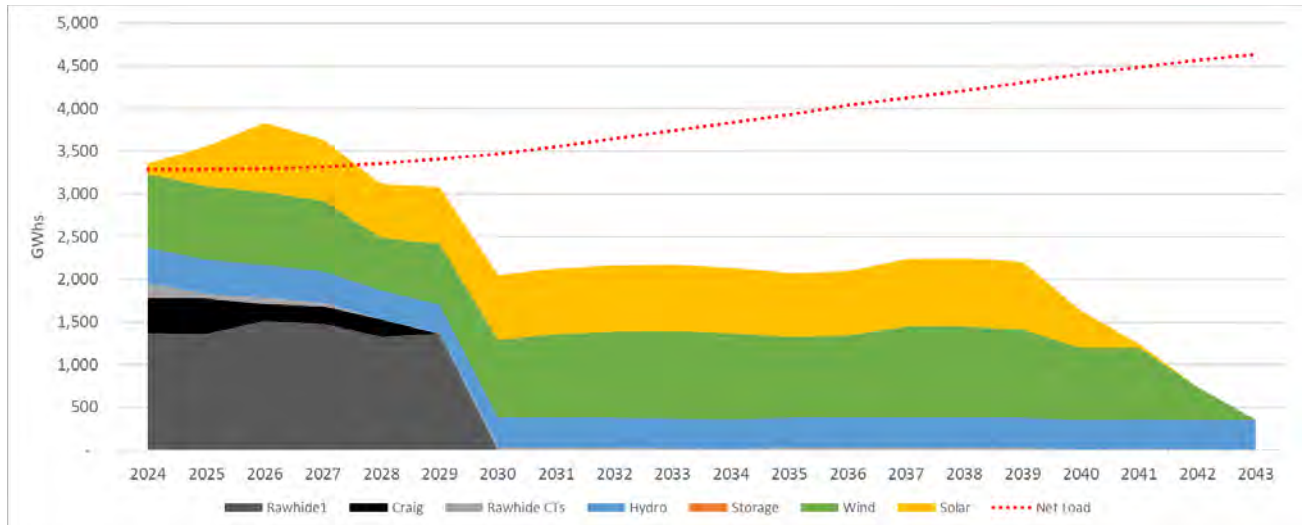


Figure 46. Future energy needs

As seen in the above charts, capacity and energy gaps appear in 2030 but Platte River plans to bring new resources online before 2030. In fact, as of this writing, we are conducting a competitive procurement process seeking resources to be operational by 2028. This would give us a full year to test the availability and reliability of our new portfolio before retiring the last coal plant by the end of 2029.

6.4 Future portfolios

The portfolios selected for this IRP are designed to capture the range of potential paths available to Platte River as it transforms its generation portfolio to meet the RDP. Portfolio reliability is the only firm constraint common to all portfolios. Other financial, operational and environmental metrics are optimized within the unique constraints of each portfolio.

Due to PRM requirements and to support reliability during dark calm events, the existing combustion turbines were kept in all portfolios. Due to the lack of available dispatchable noncarbon options by 2030, all portfolios emit some CO₂ in 2030 as thermal units are dispatched to balance the system during times of shortage. Portfolios that build new dispatchable thermal generation assume a blend 50% green hydrogen fuel by 2035 to reduce CO₂ emissions. All dispatchable thermal generation is assumed to switch to 100% green hydrogen by 2040 and reach zero CO₂ emissions. No new dispatchable thermal generation is allowed after 2030 and long duration energy storage becomes available in 2035. All portfolios considered a carbon price on the future electricity prices. Below is a brief description of all the portfolios.

6.4.1 Portfolio 1: No new carbon

In this portfolio, the model cannot add new thermal generation. Wind, solar and four-hour storage are the only new resource additions available until 2035 when long duration energy storage is assumed to also become available. This portfolio is designed to test the feasibility of relying on the existing combustion turbines to maintain reliability and reduce the risk associated with adding new thermal generation.

6.4.2 Portfolio 2: Minimal new carbon

This portfolio is built to add minimal amount of new thermal generation. It adds only 80 MW of new dispatchable thermal generation.

6.4.3 Portfolio 3: Carbon-imposed cost

This portfolio is built with the cost of carbon assigned to the dispatch cost of all thermal units. This additional cost, assigning a dollar value to the externalities associated with emitting CO₂, disincentivizes the construction and use of carbon emitting resources unless it is more cost effective than other options after accounting for the social cost of carbon. Specifically, this is a least-cost portfolio where the assumed cost carbon emissions have been internalized into the optimization process.

6.4.4 Portfolio 4: Additional new carbon

This portfolio is the result of a least-cost optimization. The model builds the lowest-cost portfolio that meets reliability standards, but no additional constraints are added to guide resource selection or operation.

6.4.5 Portfolio 5: Optimal new carbon

This portfolio is a balance between the additional new carbon and carbon-imposed cost portfolios in terms of reliability and cost, building 200 MW of new thermal generation. This portfolio is optimal to support reliability in all conditions like dark calm and extreme weather events continue to become more severe, as they have in the recent past.

6.5 Methodology

Developing future power supply portfolios is a multi-step, iterative process. Figure 48 illustrates the initial steps and the subsequent iteration through the remaining steps.

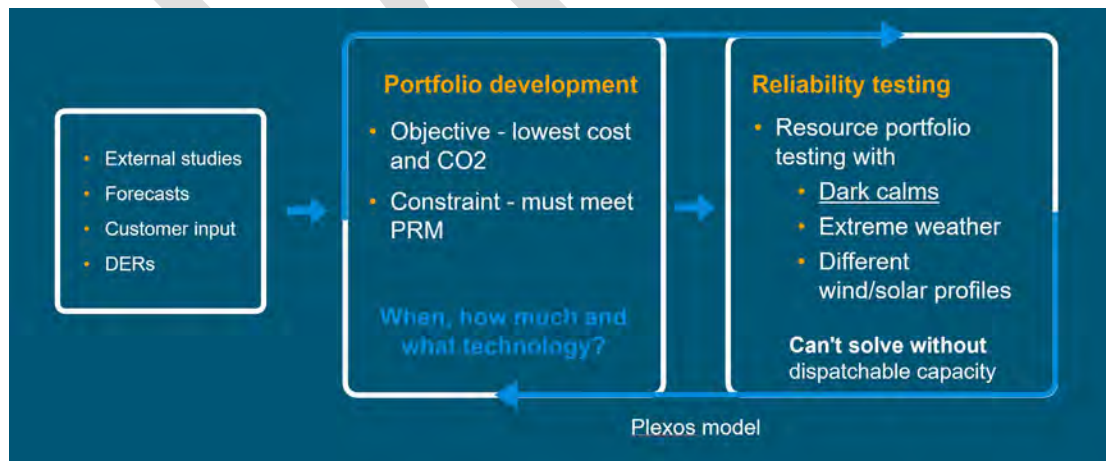


Figure 47. IRP process

6.5.1 Multi-step portfolio selection methodology

Data collection and review: Gather data on existing resources including their performance and their expected operational lives; develop power and fuel price forecasts; review existing and potential future environmental regulations. These results provide a first step in understanding the planning landscape for the IRP.

Demand forecasting: Estimate future electricity demand considering factors such as population growth, economic trends and technological advancements to project the energy needs over the planning horizon.

DER forecasting: New sources of demand such as beneficial electrification and electric vehicles are forecasted as well as additional demand side resources including customer sited storage, rooftop solar, demand response and other programs.

Technology assessment: Evaluate the performance, costs, and environmental impacts of various energy technologies, including renewable energy sources, dispatchable thermal resources and energy storage. Based on the results of this high-level evaluation, some technologies can be eliminated from consideration.

Stakeholder engagement: A critical step in the process involves collecting feedback from a broad range of stakeholders. Community members, local businesses and advocacy organizations are invited to offer their ideas and raise any concerns they have with the IRP process. This collaborative approach helps portfolios reflect the range of interests and priorities in the communities served by Platte River.

6.5.2 Portfolio iterations

Optimization modeling: Use Plexos to develop and evaluate different portfolios of energy resources. Each portfolio is the result of a unique mix of inputs and constraints designed to test different aspects of the planning criteria such as financial sustainability or environmental responsibility.

Reliability testing: Conduct reliability testing to identify uncertainties and potential challenges associated with different resource options. With high penetrations of variable generation, the most critical risk tests quantify the system's exposure to dark calms or extreme weather. Platte River also reviews potential challenges associated with excessive energy length in a region expected to add substantial amounts of renewable energy in the future.

Sensitivity analysis: Explore how different external factors, such as fuel and market prices or emissions, might influence the performance of the portfolios. This helps develop plans that should be resilient under a range of future outcomes.

6.6 Reliability testing of portfolios

Since reliability is a foundational pillar, careful attention is paid to ensure each candidate portfolio is sufficiently reliable. As a starting point, a least-cost portfolio is developed to fill the capacity and energy gaps identified above while meeting the PRM requirement for every year of the planning horizon. Meeting the annual PRM requirement while applying the ELCC to energy limited resources are useful summary tools, but they do not test or guarantee reliability during extreme weather events or dark calms. Additional reliability testing through the Monte Carlo functionality in Plexos was used to understand how the portfolios might behave under stress conditions. Using the data from the extreme weather report supplied by ACES and historical weather data from Vaisala, the model was parameterized to vary system conditions across:

1. **Weather:** wind and solar profiles reflecting conditions from 1997-2019 (hourly profiles for 24 years) were drawn with equal probability across the suite of simulations. In our runs, with 504 iterations, each weather year was experienced 21 times.
2. **Thermal unit outages:** the timing of the outages is randomly drawn by the software. The duration of the outage is also hypothetical, but the software does parameterize the draws to align with the long-term forced outage rate over the course of many draws.
3. **Load forecast error:** each iteration simulated a potential deviation from the near-term load forecast. This represents a shift in load drivers such as population changes or economic indicators over the one-to-four-year horizon, which is too short for the utility to respond to. The system, as built, would need to cover these near-term divergences before new resources could be brought online in response. For this IRP, Table 15 summarizes the potential load forecast error outcomes.

Table 15. Potential load forecast error outcomes

LFE	Probability
-4%	7.26%
-2%	24.10%
0%	37.28%
2%	24.10%
4%	7.26%

4. **Dark calm events:** based on observed historical events, the model simulated weather events with impacts on both load and weather-dependent generation. These events could last between one and five days with a two-day event being the most common. Often, dark calm events occur with extreme weather events. In any year, the system would expect to experience a total of 248 hours of extreme weather conditions distributed across a number of events. As with thermal outages, specific years could experience higher or lower than average dark calm outages with the long-term average converging to the expected value over many iterations. Across all 504 iterations of our reliability modeling, the dark calm hours in a year varied from a low of 119

hours to a high of 458 hours. Specific details on the impact to wind, solar and load are described below.

- a. **Load:** Load is modeled to increase by 10% during the event, which is consistent with data seen in other regions during extreme weather events. This is primarily driven by increased heating load during winter storms while cooling load is expected to increase during heat dome events in the summer. This increase captures the load already embedded in the load forecast.
- b. **Building heating:** During extreme winter storms, some new load from heat pumps is expected to shift to much less efficient electrical resistance heating as temperatures drop below their operating ranges. This increase in load is captured individually and is quantified by the consultant who supplied the beneficial electrification forecast.
- c. **Solar:** During the winter months, solar generation during a dark calm averages 5% of its nameplate output over the course of the event. These generators can experience a variety of issues including snow cover or icing, overcast skies or debris and/or dust buildup due to high winds. In the summer months, solar output during a dark calm event averages 10% since summer outages are often limited to extended overcast weather.
- d. **Wind:** During the winter months, wind generation during a dark calm averages 5% of its nameplate output over the course of the event. This reduced production is primarily due to blade icing, but overspeed also drives some outages. In the summer months, output during a dark calm event also averages 5% as summer wind droughts, especially during heat dome events, are common.

6.7 Modeling tool

Platte River used the Plexos simulation and modeling tool for the 2024 IRP. Plexos is an economic dispatch and capacity expansion model developed by Energy Exemplar (www.energyexemplar.com). Details discussing the Plexos model are provided in Appendix 9.6.

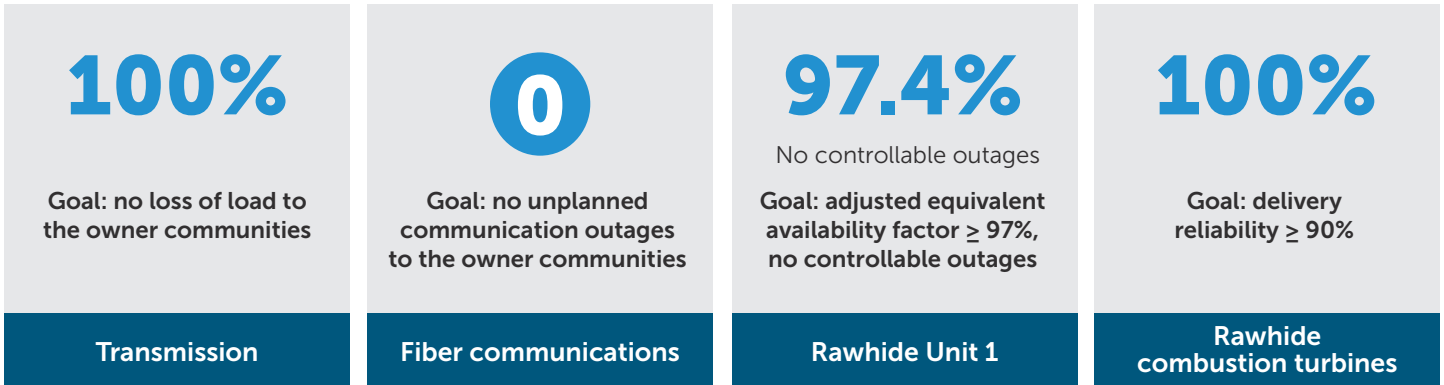


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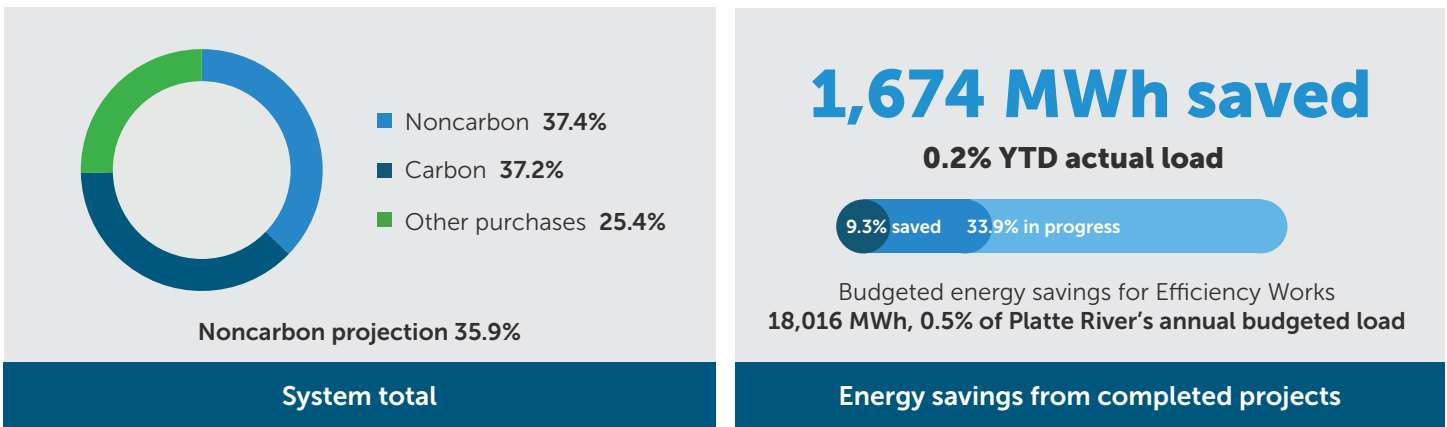
Performance dashboard

March 31, 2024

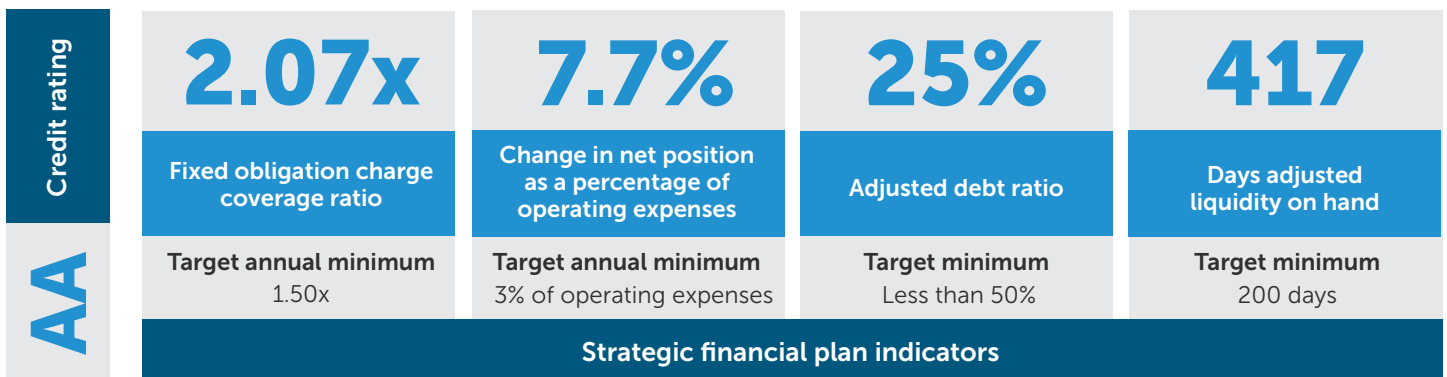
Reliability



Environmental responsibility



Financial sustainability





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Legal, environmental and compliance report

March 2024



Overview of recent developments

Legal matters

There are no new legal matters to report.

Environmental matters

There are no new environmental matters to report.

Compliance matters

There are no new compliance matters to report.

Monitoring—status unchanged

Page 3 of this document provides a list of matters previously reported but unchanged since our last report.

Recently concluded matters

Page 5 of this document provides a list of matters that have concluded within the last three months.



Active matters

Legal matters

There are no active legal matters to report.

Environmental matters

There are no active environmental matters to report.

Compliance matters

There are no active compliance-related matters to report.



Monitoring—status unchanged

Legal matters

Municipal Energy Agency of Nebraska complaint challenging Colorado’s Power Pathway

Current Status:

Comments on the Municipal Energy Agency of Nebraska (MEAN) complaint were due March 21, 2024. Various parties, including the Colorado Utility Consumer Advocate, commented in the docket or moved to intervene. Public Service Company of Colorado filed a Motion to Dismiss the complaint, which MEAN must answer by April 12, 2024. Platte River will closely follow this proceeding and update the board with any developments that may affect our transmission planning or rates.

Progress on the Southwest Power Pool’s western regional transmission organization

Current Status:

Platte River and the other participants are working with the Southwest Power Pool (SPP) to further develop the western regional transmission organization (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 RTO West will use going forward. SPP plans to file the updated tariff provisions with FERC in mid-2024.

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. On



Feb. 6, 2024, the parties argued the case to the Ninth Circuit. The parties must now wait for the Ninth Circuit to decide the case.

Environmental matters

Environmental Protection Agency’s proposed new regulations for greenhouse gas emissions from power plants

Current Status:

On Feb. 29, 2024, the Environmental Protection Agency (EPA) removed existing natural gas-fired power plants from the scope of its proposed power plant greenhouse gas rules, leaving coal-fired power plants and new and reconstructed natural gas-fired plants within the scope of the rules. The Office of Management and Budget is now reviewing the proposed rules, which the EPA plans to issue in final form later this spring.

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

El Paso Electric Co. v. Federal Energy Regulatory Commission

FERC issued Order 1000 in 2011. Order 1000 requires FERC-jurisdictional utilities to create regional organizations to plan transmission expansions and allocate costs to the beneficiaries of the new transmission projects. Although Platte River is not subject to FERC jurisdiction, Platte River is a party to the WestConnect Planning and Participation Agreement, along with other FERC-jurisdictional and non-jurisdictional utilities in the planning region (Arizona, Colorado, Nevada, New Mexico, Utah and Wyoming).

In 2014, El Paso Electric Co. and several other FERC-jurisdictional utilities filed initial appeals in the Fifth Circuit Court of Appeals (Fifth Circuit) challenging FERC's approval of WestConnect cost allocation provisions. These provisions allowed utilities not subject to FERC jurisdiction (Coordinating Transmission Owners or CTOs) to opt out of cost allocation for regional transmission projects that CTO governing bodies do not approve. The appeals claimed CTOs' ability to opt out of cost allocation could impose unjust and unreasonable rates on customers of FERC-jurisdictional participants.

Platte River took part in settlement negotiations between the jurisdictional and non-jurisdictional utilities to modify the cost allocation and governance provisions of the Planning and Participation Agreement. The parties filed a settlement agreement with FERC in February 2022 and the Fifth Circuit stayed the case to await FERC's decision. On Dec. 15, 2022, FERC rejected the parties' proposed settlement agreement. 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.

When Platte River joins a regional transmission organization (like SPP's RTO West), the RTO will be the planning region for Order 1000 purposes, filling the role WestConnect has filled previously.



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 (SO₂) scrubber on Rawhide Unit 1. The scrubber malfunction caused Unit 1 to exceed the three-hour SO₂ 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 recently concluded compliance matters.



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Resource diversification report

March 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, with a goal for 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 goal to begin commercial operations in late 2026 or early 2027. Construction started on the transmission facility improvements necessary to interconnect the 150 MW Black Hollow Sun Solar, LLC project. Platte River obtained the required permits to allow construction of the new Severance Substation, and construction began in March. At the time of this report, Weld County has not granted a permit for improvements to County Road 23 for better access to the substation site. The anticipated commercial operation date of the project is spring 2025.

Platte River issued its all-dispatchable resource RFP on February 22, seeking proposals to help us consider all possible resource options to maintain system reliability after existing coal units retire in 2028 and 2029. We have received notices of intent to submit proposals from 18 entities. 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 such resource is available during the summer months.

Integrated resource planning 2024

The resource planning team continued working on sensitivity/risk analysis for the 2024 Integrated Resource Plan (IRP) and completed the first version of the 2024 power supply plan (PSP) to be used in the 2025 budget estimate and ten-year rate projections. Key activities included:

- Risk Analysis of the 2024 IRP recommended portfolio with respect to changes in:
 - Renewable integration time frame – especially delays
 - Market price for the sale of excess renewable energy
 - Cost of renewable energy with latest projections of power purchase agreement costs based on market inputs
 - Proposed options for risk adjusting the recommended plan
- Completed data compilation to estimate planning reserve margin for resource adequacy report as required by state law HB23-1039. The report was shared with the board
- Completed the internal process for developing 2024 PSP. Major components included:
 - New load forecast, including projection of peak demand and monthly energy consumption for Platte River and individual communities
 - New commodity (power, gas and coal) prices
 - Incorporated new Distributed Energy Resource (DER) projections into our dispatch model
 - Incorporated the latest power purchase agreement prices for renewable resources and updated the times to integrate into the Platte River power supply portfolio
 - Finalized other assumptions such as new maintenance plans, financial assumptions, etc.
- Developed sensitivity cases for 2024 PSP, including:
 - Changes in gas/power prices
 - Changes in projected CO2 tax assumptions
 - Changes in the amount and timings of renewable resources to be added
- Presented 2024 PSP to senior leadership
- Continued our support for the resource procurement process with a risk analysis of excess renewable power sales to the market. Ran cases with different levels of power prices and different levels of renewable additions to help assess various risks
- Continued participation in dispatchable technology assessment study with an external consultant and visited a site to see operating plants by one prospective technology supplier
- Opened dialogue with two market price vendors on how they plan to model pricing forecasts in the Southwest Power Pool Regional Transmission Organization West. Our goal is to have two views of the future market price for planning and budgeting
- Continued support of the operations department with daily updates of Western Energy Imbalance Service market data/dashboards. Facilitating the piloting of new renewable/load forecasts from two new vendors – Tesla and Meteologica

- Continued guiding the external IT consultant to revamp 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 summarizes our 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
DER adoption forecast [1]			
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
VPP: DERs enrolled [2]			
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.

- Site selection – We continue to work with owner community staff to identify their preferred storage locations. We have identified a preferred primary and backup location for Longmont and Loveland. Work continues in Estes Park and Fort Collins.
- Site control – We will negotiate leases with the landowners of the preferred sites and sublease to the developer for the development and operational phases of the project. Most of the

preferred sites are located on owner-community property. We have shared a draft “term sheet” for the land leases with the legal counsels for Longmont and Loveland.

- Permitting and interconnection – Work can proceed once site control is established.
- Developer agreements – We are working with the developer on a master agreement that provides key terms that will be common to all the projects. This will be followed by one energy storage service agreement for each site.

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.

Work continues to develop an application for a Smart Grid Grant under the Grid Resilience and Innovation Partnerships Program. This program was established under the Bipartisan Infrastructure Law and administered by the U.S. Department of Energy (DOE). In January, a concept paper was submitted for an “Efficiency Works Virtual Power Plant” project. After reviewing concept papers, DOE encouraged Platte River and the owner communities to submit a full application by the due date of May 22, 2024. The project encompasses key systems required for DER integration, VPP programs to gain customer participation and a plan that provides community benefits, such as community and labor engagement as well as workforce development.



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Operating report

March 2024



Executive Summary

The region experienced mild weather, in March, which resulted in owner community demand and energy coming in below budget. Owner community demand and energy are below budget, year to date. The overall net variable cost to serve owner community load was below budget for the month, due to coal fuel savings and lower wind production offset by below budget surplus sales. Year to date, the net variable cost to serve owner community load is below budget.

Thermal resources

Rawhide Unit 1 had a great operational month with no outages or forced curtailments. Rawhide Unit 1 had a planned curtailment, on March 28, for approximately four hours to replace a power cell to ensure reliability during the transmission outage in April. Rawhide equivalent availability factor was above budget and net capacity factor was significantly below budget for the month, due to lower dispatch in the Southwest Power Pool Western Energy Imbalance Service (SPP WEIS). Year to date, Rawhide equivalent availability factor is slightly above budget and net capacity factor is significantly below budget.

Craig units 1 and 2 had an excellent operational month, in March, with no outages or forced curtailments. Craig equivalent availability factor was above budget, while net capacity factor was below budget for the month. Year to date, Craig equivalent availability factor is above budget and net capacity factor is slightly above budget.

The combustion turbines (CTs) were run for scheduled testing and to facilitate sales. CT equivalent availability factor was slightly below budget, as CT Unit A was out of service for approximately 24 hours, due to a failure in electronics, and CT Unit F remains out of service for system upgrades. Net capacity factor was slightly below budget for the month, due to lower dispatch in SPP WEIS. Year to date, CT equivalent availability factor and net capacity factor are slightly below budget.

Renewable resources

Wind generation was below budget for the month. The Roundhouse Wind project experienced WEIS market curtailments and underproduction, due to high winds, causing over-speeding for one day and underproduction due to icing for two days. On March 1, the Roundhouse Wind project had a planned curtailment for approximately three hours to work on a tower and a forced curtailment due to a feeder outage for approximately four hours, on March 22. The Medicine Bow Wind project had a planned outage for approximately five hours, on March 29, for cable repairs. Solar generation was below budget. The Rawhide Prairie Solar project experienced WEIS market curtailments. Net capacity factor for wind was below budget and net capacity factor for solar was slightly below budget for the month. The Rawhide Prairie Solar battery system was out of service during the entire month of March. Platte River reviewed the Purchase Power Agreement, in March, and identified a point of dispute. The dispute is being reviewed by the legal team. As such, the battery was not charged or discharged. Year to date, net capacity factor for wind is below budget and solar is slightly below budget.

Surplus sales

Surplus sales volume was below budget due to significantly below budget SPP WEIS sales volume and mild weather. Average surplus sales pricing was above budget for the month. Year to date, surplus sales volume is below budget and average surplus sales pricing is above budget.

Purchased power

Overall purchased power volume was significantly above budget, while pricing was below budget for the month. The SPP WEIS average purchased power price was below budget for the month and below generation costs. Year to date, purchased power volume and pricing are above budget.

Total resources

Total blended resource costs were below budget for the month, due to significantly below budget natural gas costs. Year to date, total blended resource costs are slightly below budget.

Variations

March operational results

Owner community load	Budget	Actual	Variance	% variance	
Owner community demand	447 MW	412 MW	(35 MW)	(7.8%)	■
Owner community energy	263 GWh	250 GWh	(13 GWh)	(5.0%)	■
Net variable cost* to serve owner community energy	\$5.1M	\$4.1M	(\$1.0M)	(16.0%)	●
	\$19.48/MWh	\$16.37/MWh	(\$3.11/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	\$1.2M	Lower bilateral and market sales volume	\$0.91M
Lower wind generation volume	\$0.80M	Higher market purchases pricing	\$0.49M

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

YTD operational results

Owner community load	Budget	Actual	Variance	% variance	
Owner community demand	1,423 MW	1,389 MW	(34 MW)	(2.4%)	■
Owner community energy	811 GWh	787 GWh	(24 GWh)	(3.0%)	■
Net variable cost* to serve owner community energy	\$15.2M	\$12.4M	(\$2.8M)	(16.0%)	●
	\$18.80/MWh	\$15.78/MWh	(\$3.02/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	\$2.4M	Lower bilateral and market sales volume	\$2.0M
Lower wind generation volume	\$2.0M	Higher market purchases pricing	\$0.75M

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

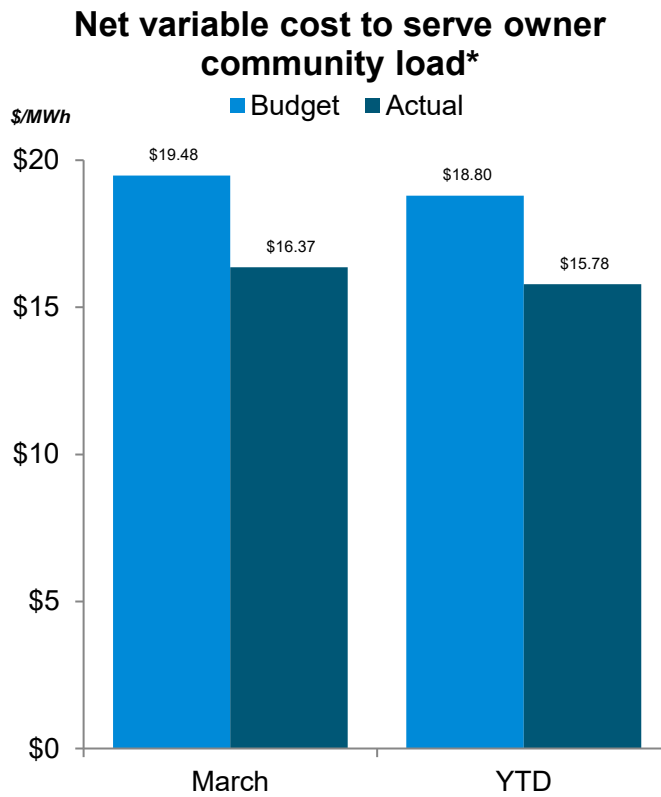
Loss of load

System disturbances

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

2024 goal		March actual		YTD total	
0	●	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

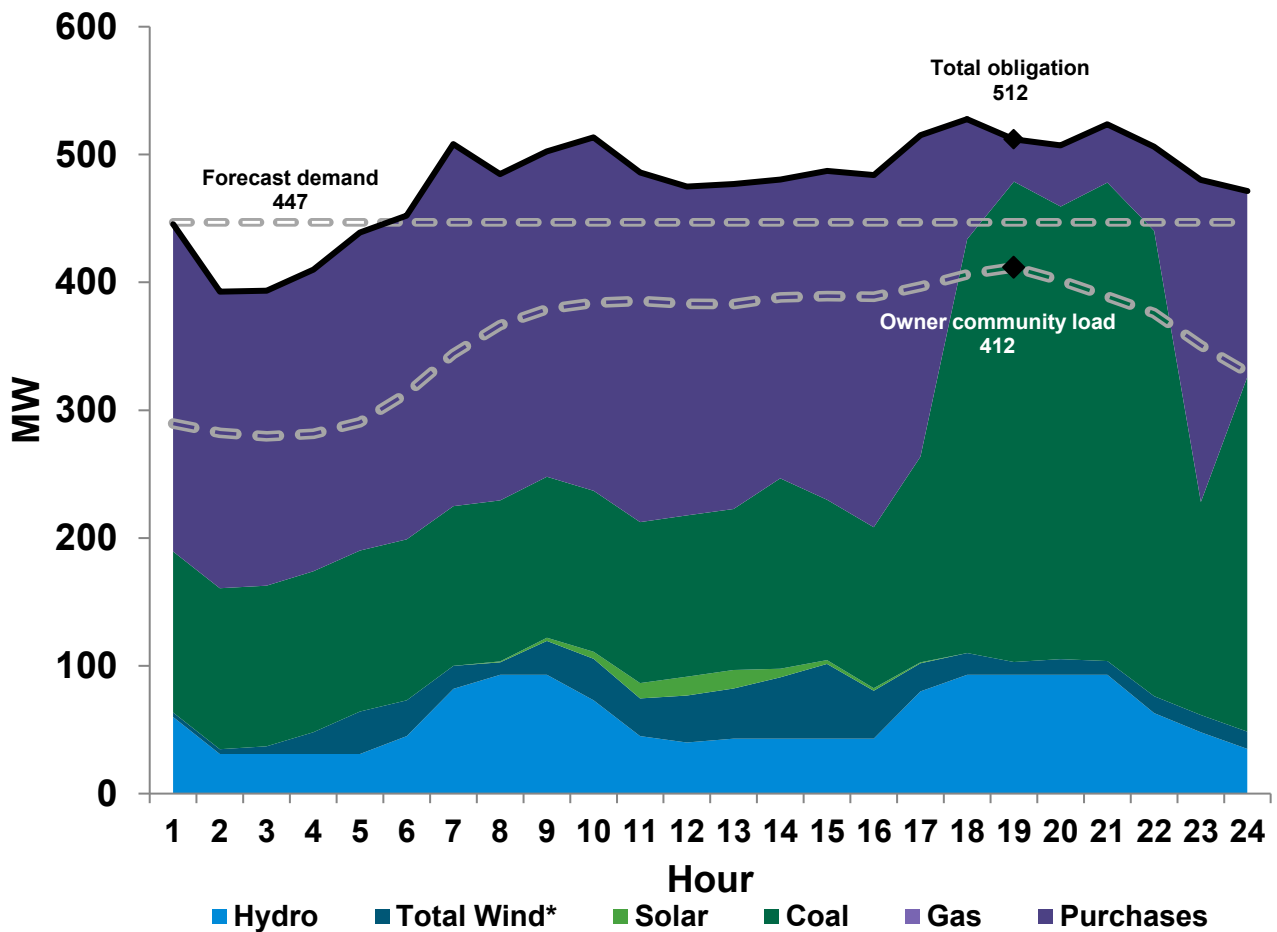
- The shaft share agreement between Tri-State and Platte River concluded at the end of the day, on March 31, 2024.
- On March 4, the Ault – Rawhide 230-kV line outage began which resulted in a generation injection limitation on the maximum. The outage is expected to continue through April 22, 2024.
- On March 21, numerous voltage and frequency alarms were received across Platte River's transmission system. The cause was later reported as a breaker failure at Xcel Energy's Cherokee plant.
- On March 21, the Western Area Power Administration's airflow spoiler installation on selected spans of the 115-kV lines which supply Estes Park was reported complete. The installation will help mitigate line galloping during certain weather conditions.

Peak day

Peak day obligation

Peak demand for the month was 412 megawatts which occurred on March 7, 2024, at hour ending 19:00 and was 35 megawatts below budget. Platte River’s obligation at the time of the peak totaled 512 megawatts. Demand response was not called upon at the time of peak.

Peak day obligation: March 7, 2024



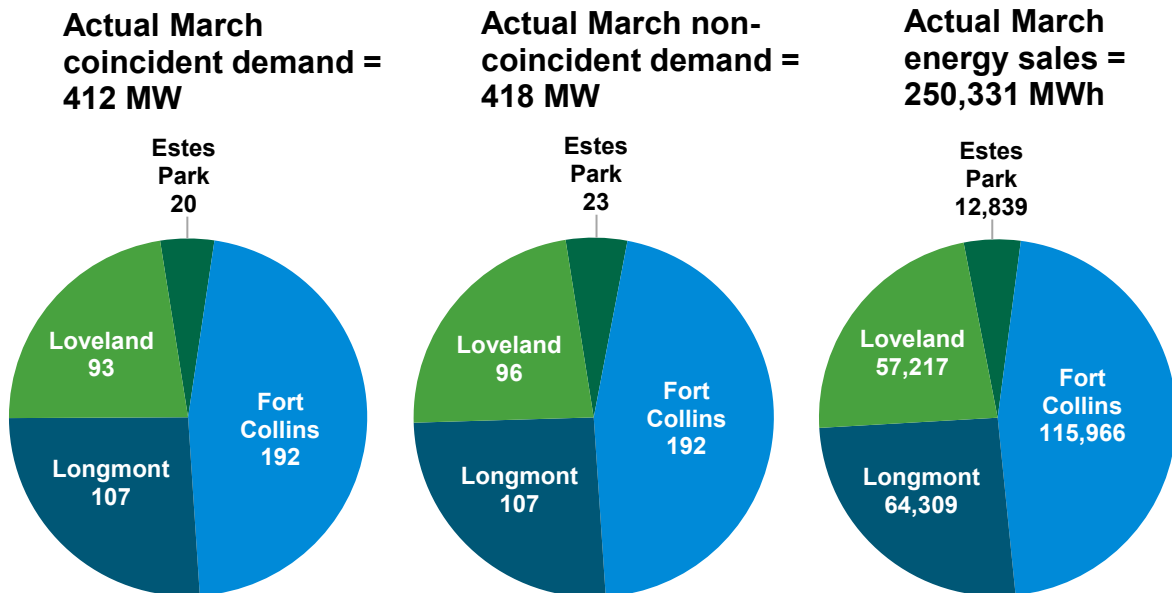
* Some off-system wind renewable energy credits and associated energy have been sold to another utility and, therefore, cannot be claimed as a renewable resource by Platte River or its owner communities.

Owner community loads

	March budget	March actual	Minimum	Actual variance	
Coincident demand (MW)	447	412	507	(7.8%)	■
Estes Park	23	20	13	(13.0%)	■
Fort Collins	207	192	231	(7.2%)	■
Longmont	115	107	144	(7.0%)	■
Loveland	102	93	119	(8.8%)	■
Non-coincident demand (MW)	445	418	516	(6.1%)	■
Estes Park	23	23	21	0.0%	◆
Fort Collins	207	192	231	(7.2%)	■
Longmont	115	107	144	(7.0%)	■
Loveland	100	96	120	(4.0%)	■
Energy sales (MWh)	263,392	250,331		(5.0%)	■
Estes Park	13,041	12,839		(1.5%)	◆
Fort Collins	122,973	115,966		(5.7%)	■
Longmont	67,569	64,309		(4.8%)	■
Loveland	59,809	57,217		(4.3%)	■

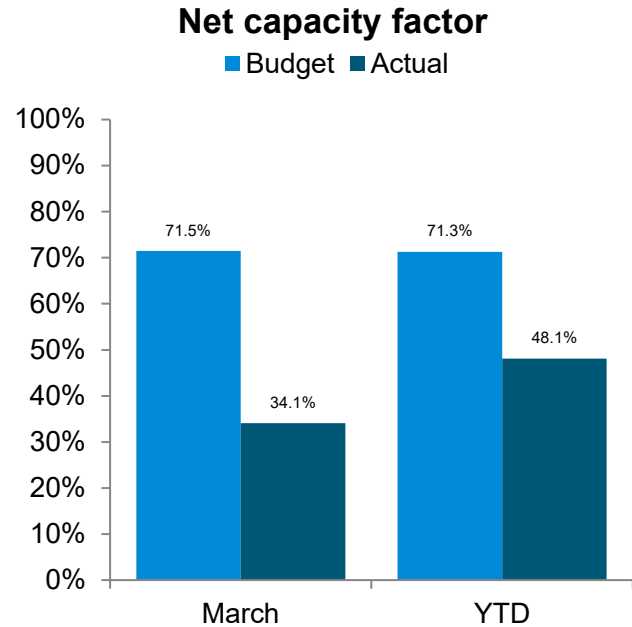
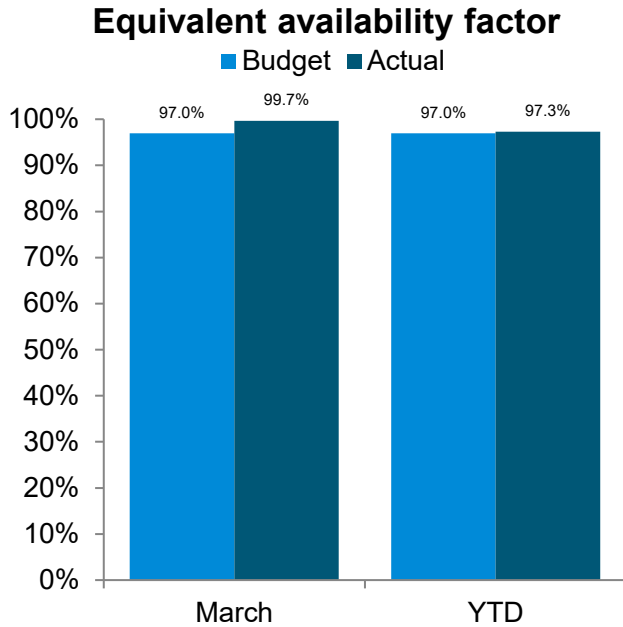
Variance key: Favorable: ● | Near budget: ◆ | Unfavorable: ■

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.

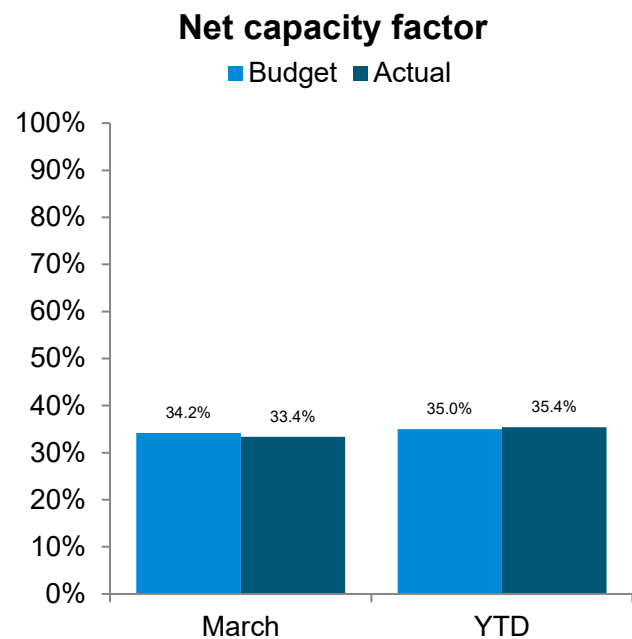
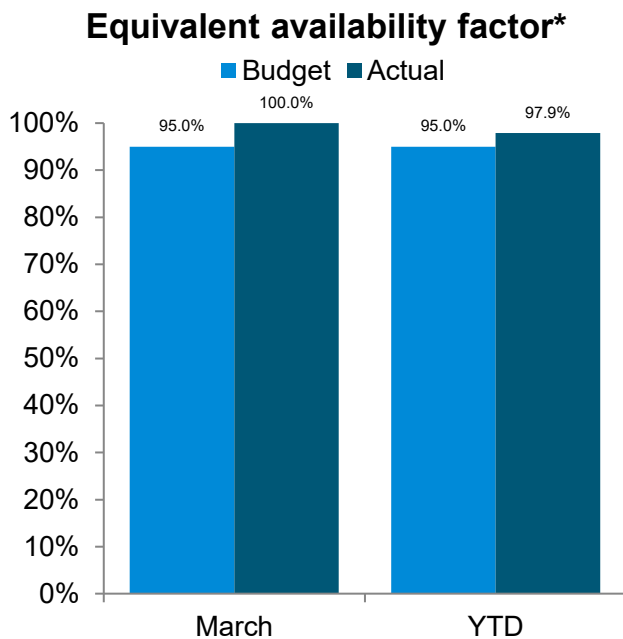


Thermal resources

Power generation - Rawhide



Power generation - Craig

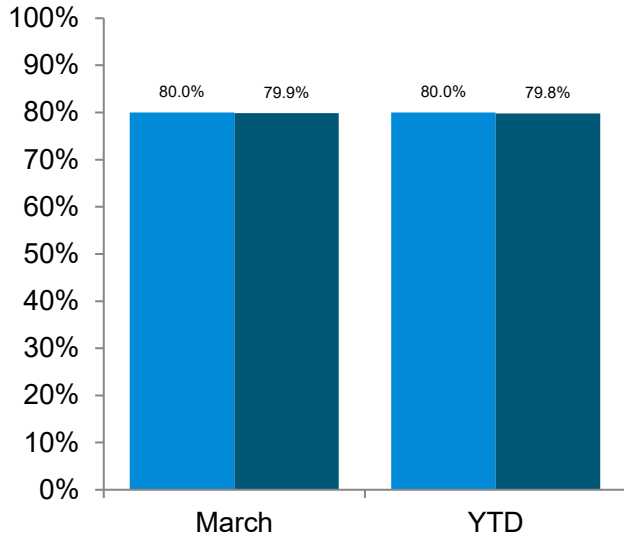


* Estimated due to a delay of the actual results

Power generation – combustion turbines

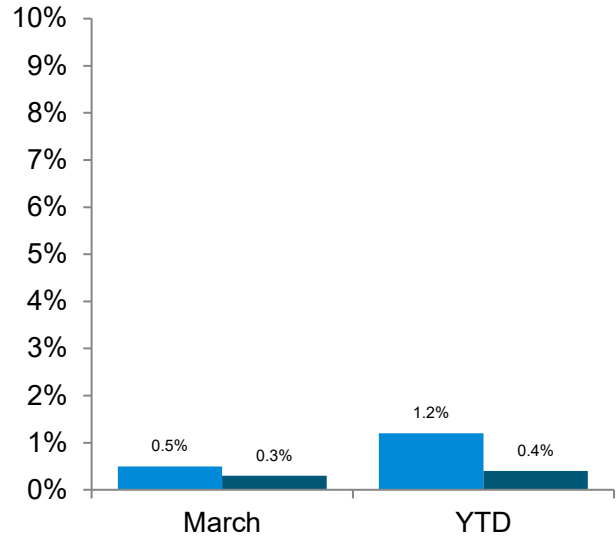
Equivalent availability factor

■ Budget ■ Actual



Net capacity factor

■ Budget ■ Actual

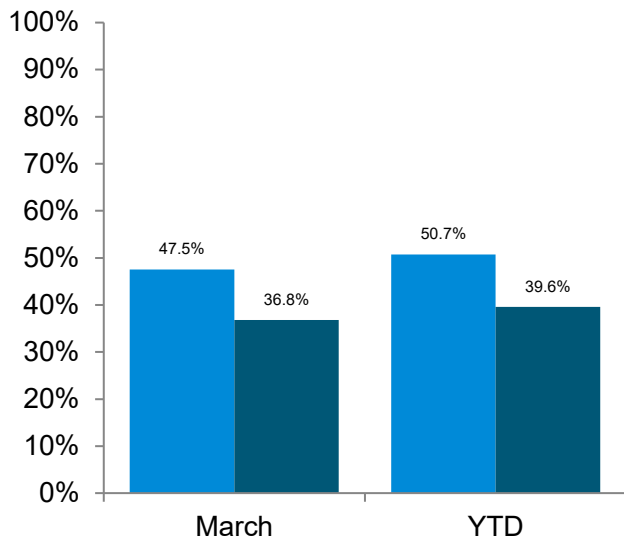


Renewable resources

Power generation – wind and solar production

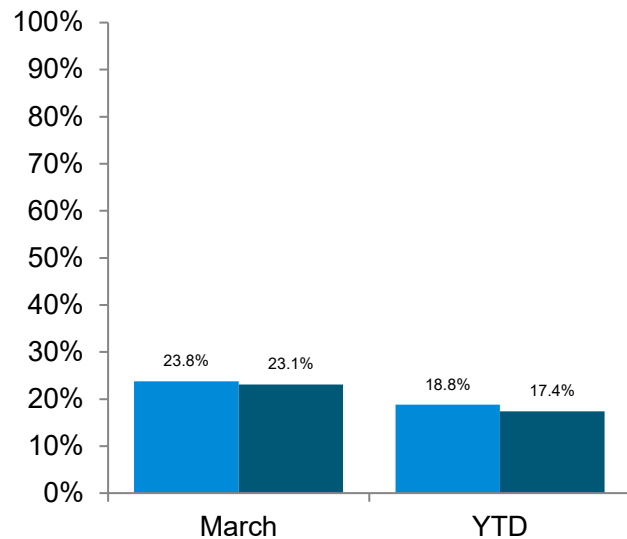
Wind net capacity factor

■ Budget ■ Actual

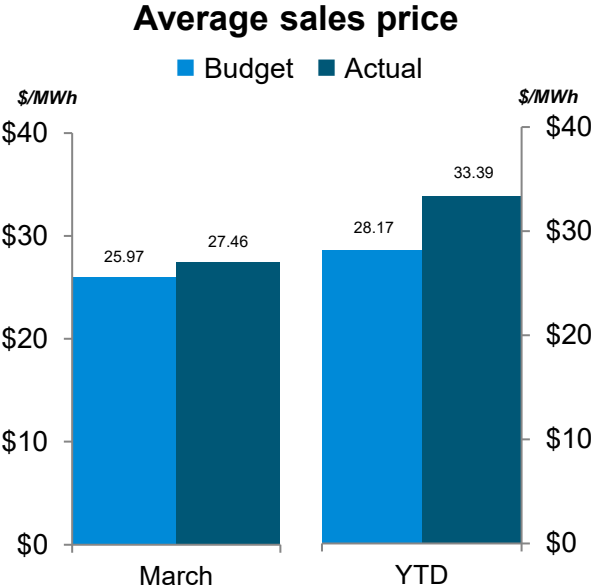
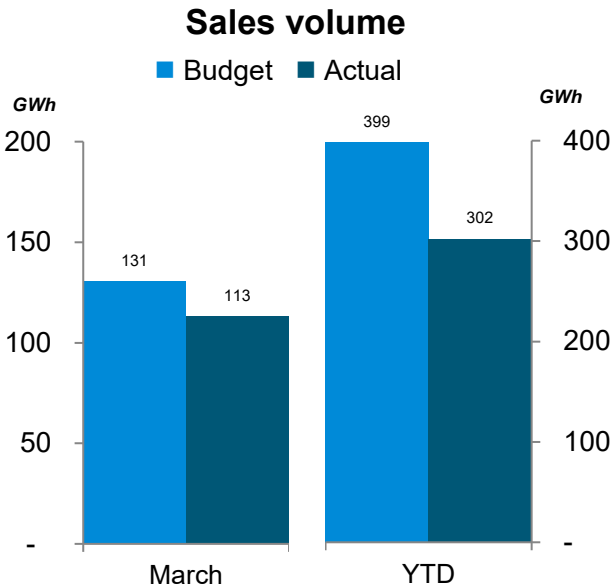


Solar net capacity factor

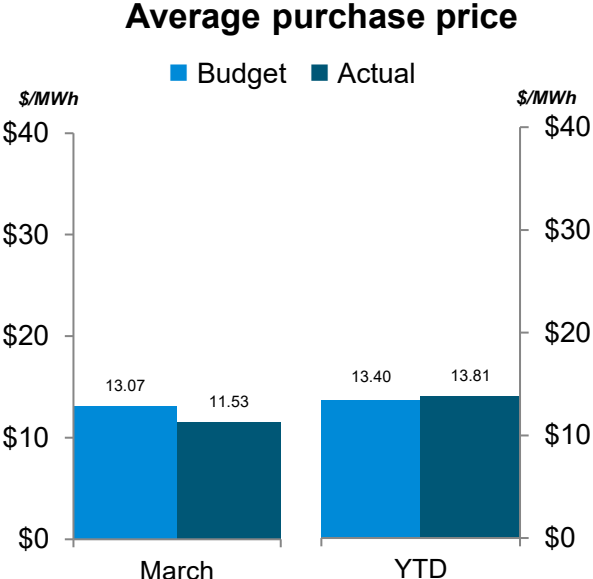
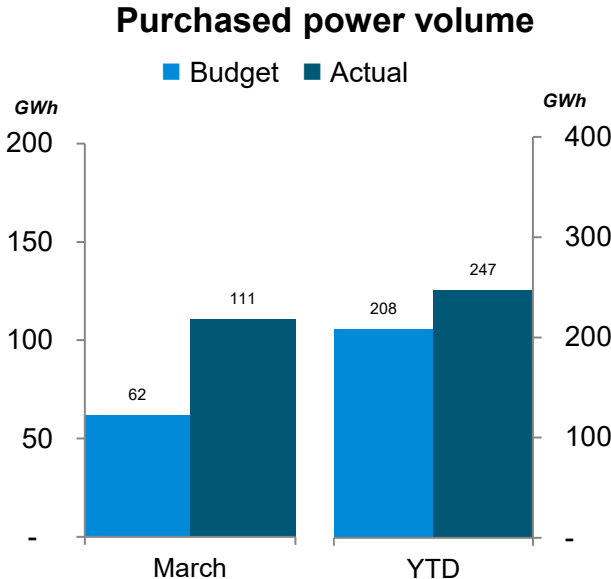
■ Budget ■ Actual



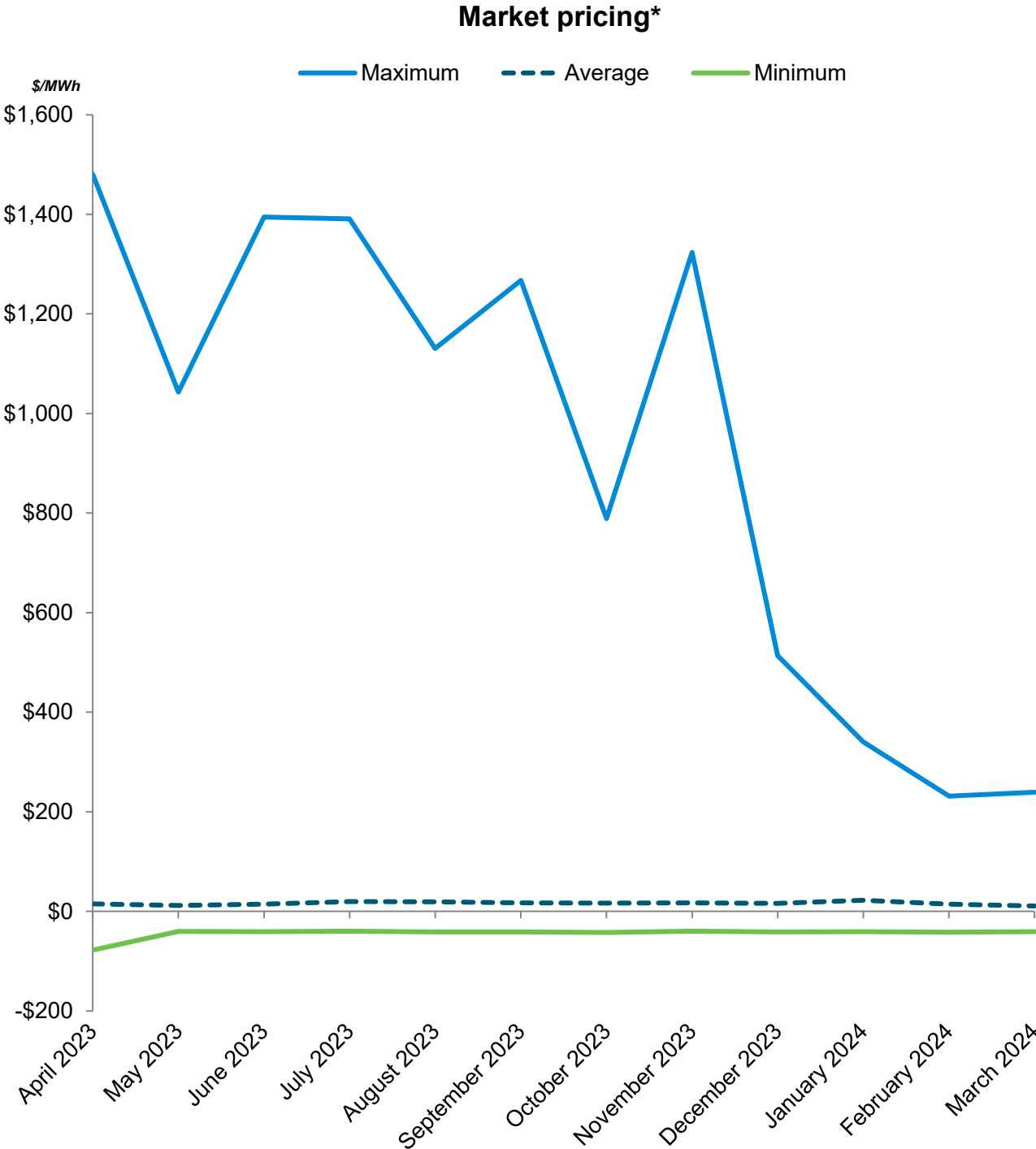
Surplus sales



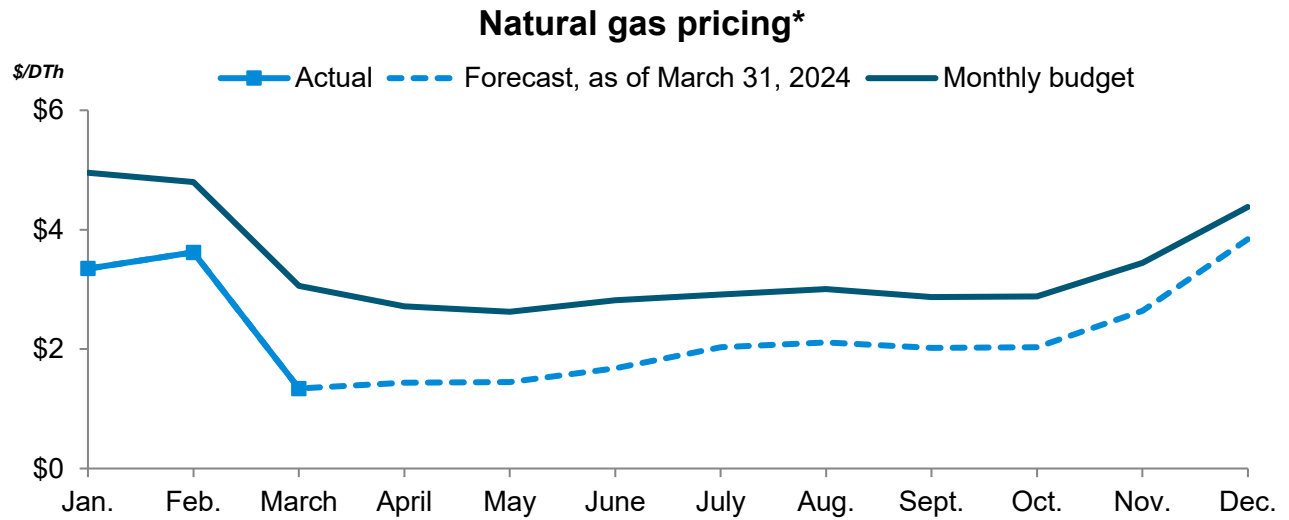
Purchased power



Market pricing



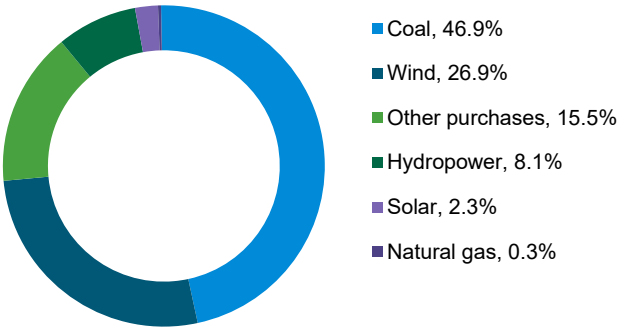
Natural gas pricing



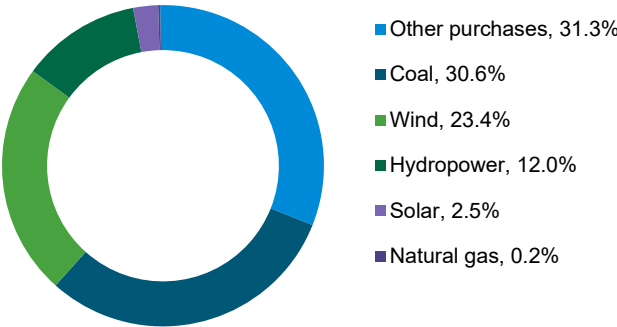
*Forecast based on Argus North American Natural Gas forward curves. Pricing does not include transport.

Total resources

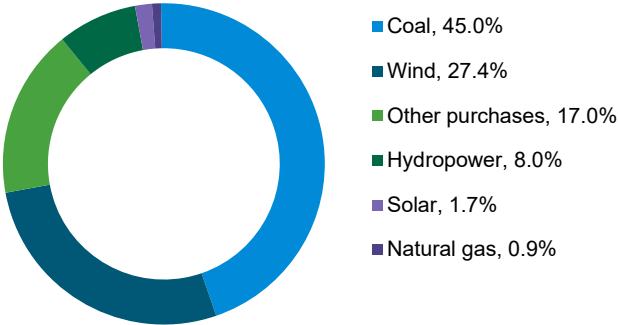
March generation budget



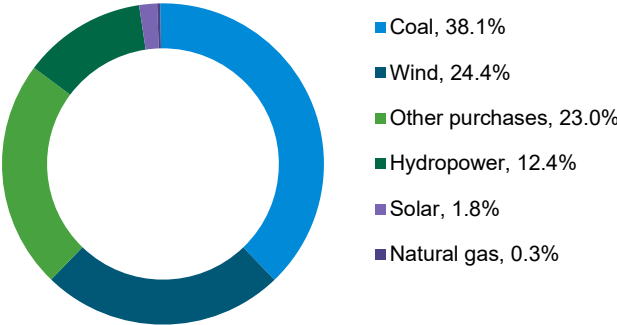
March generation actual

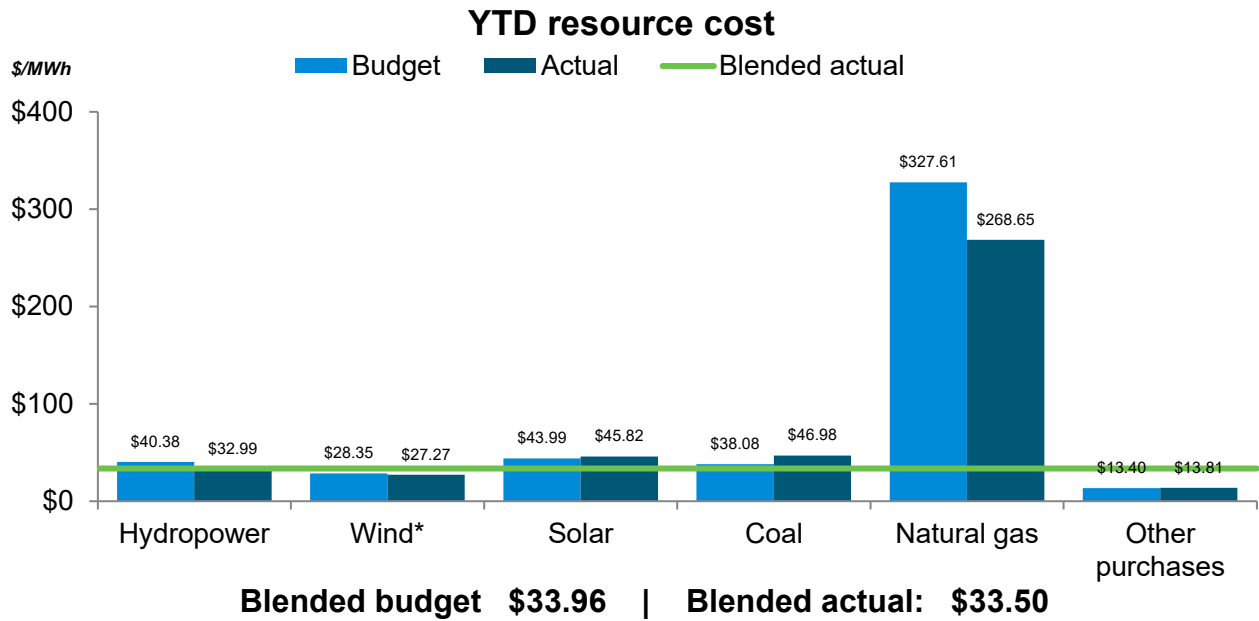
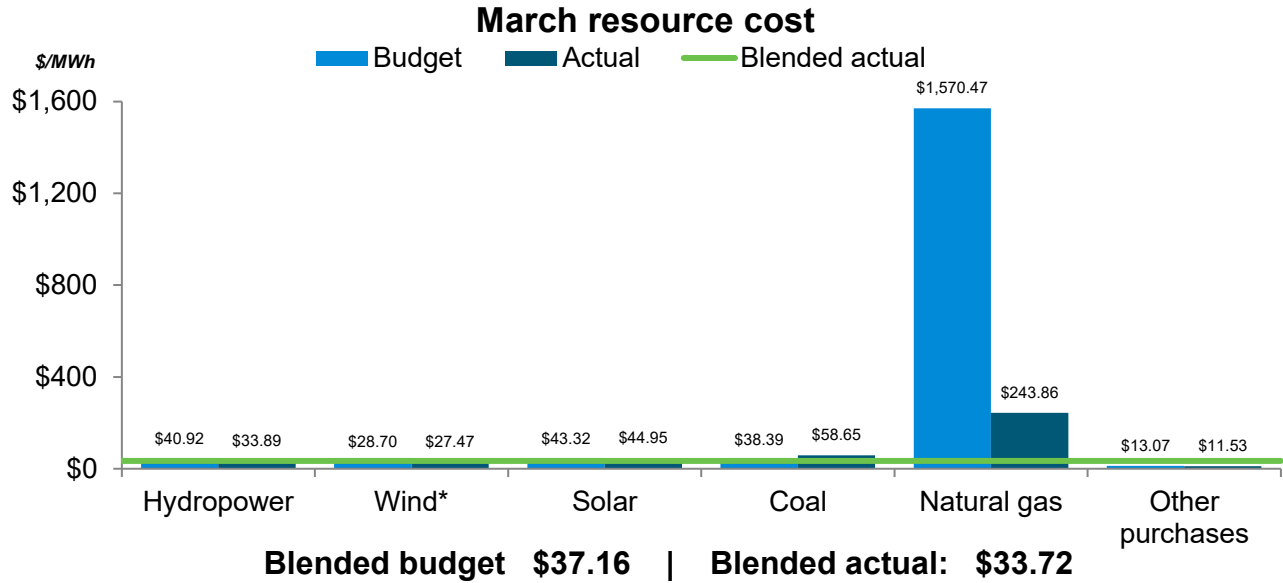


YTD budget



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.



Platte River
Power Authority

Estes Park • Fort Collins • Longmont • Loveland

Financial report

March 2024



Financial highlights year to date

Platte River reported favorable results year to date. Change in net position of \$4.3 million was favorable by \$4.3 million compared to budget primarily due to below-budget operating expenses, partially offset by below-budget revenues.

Key financial results ⁽¹⁾ (\$ millions)	March		Favorable (unfavorable)		Year to date		Favorable (unfavorable)		Annual budget		
	Budget	Actual			Budget	Actual					
Change in net position	\$ (1.8)	\$ 1.2	●	\$ 3.0	166.7%	\$ -	\$ 4.3	●	\$ 4.3	-	\$ 7.3
Fixed obligation charge coverage	1.15x	1.95x	●	0.80x	69.6%	1.61x	2.07x	●	0.46x	28.6%	1.93x ⁽²⁾

>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.

(2) Reflects correction of an error in calculating this metric as defined in the Strategic Financial Plan approved by the board of directors in December 2023.

Budgetary highlights year to date

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

Key budgetary results (\$ millions)	March		Favorable (unfavorable)		Year to date		Favorable (unfavorable)		Annual budget		
	Budget	Actual			Budget	Actual					
Total revenues	\$ 23.9	\$ 23.0	■	\$ (0.9)	(3.8%)	\$ 73.7	\$ 71.8	■	\$ (1.9)	(2.6%)	\$ 313.0
Sales to owner communities	18.2	17.7	■	(0.5)	(2.7%)	55.5	54.7	◆	(0.8)	(1.4%)	235.7
Sales for resale - long-term	1.6	1.3	■	(0.3)	(18.8%)	5.1	3.8	■	(1.3)	(25.5%)	20.1
Sales for resale - short-term	2.4	2.4	◆	0.0	0.0%	7.8	8.0	●	0.2	2.6%	36.4
Wheeling	0.8	0.7	■	(0.1)	(12.5%)	2.4	2.3	■	(0.1)	(4.2%)	8.9
Interest and other income	0.9	0.9	◆	0.0	0.0%	2.9	3.0	●	0.1	3.4%	11.9
Total operating expenses	\$ 21.8	\$ 18.3	●	\$ 3.5	16.1%	\$ 62.1	\$ 55.3	●	\$ 6.8	11.0%	\$ 242.7
Purchased power	5.4	5.2	●	0.2	3.7%	16.8	15.3	●	1.5	8.9%	63.8
Fuel	3.8	2.7	●	1.1	28.9%	11.9	9.5	●	2.4	20.2%	51.1
Production	6.2	4.6	●	1.6	25.8%	15.0	13.4	●	1.6	10.7%	55.8
Transmission	1.8	1.7	●	0.1	5.6%	5.7	5.3	●	0.4	7.0%	21.4
Administrative and general	3.5	3.3	●	0.2	5.7%	9.8	9.7	◆	0.1	1.0%	36.9
Distributed energy resources	1.1	0.8	●	0.3	27.3%	2.9	2.1	●	0.8	27.6%	13.7
Capital additions	\$ 7.8	\$ 5.5	●	\$ 2.3	29.5%	\$ 20.2	\$ 8.5	●	\$ 11.7	57.9%	\$ 53.2
Debt service expenditures	\$ 1.5	\$ 1.5	◆	\$ -	0.0%	\$ 4.9	\$ 4.9	◆	\$ -	0.0%	\$ 18.7

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

Total revenues, \$1.9 million below budget

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

- **Sales for resale - long-term** were below budget \$1.3 million due to below-budget wind generation resold to third parties and below-budget calls on capacity contracts.
- **Sales for resale - short-term** were above budget \$0.2 million as average prices were 23.3% above budget, partially offset by 17.1% below-budget energy volume.
- **Wheeling** was below budget \$0.1 million primarily due to below-budget point-to-point transmission sales.
- **Interest and other income** was above budget \$0.1 million primarily due to higher interest income earned on investments.

Total operating expenses, \$6.8 million below budget

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

- **Fuel** was \$2.4 million below budget.
 - Coal - Rawhide Unit 1** 104% of the overall variance, \$2.5 million below budget. Generation was below budget due to lower-cost energy available in the Western Energy Imbalance Service (WEIS) market, an unplanned outage and curtailments. Price was below budget due to a lower transportation base rate, partially offset by above-budget demurrage charges.
 - Natural Gas** 21% 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 - Craig units** (25%) of the overall variance, \$0.6 million above budget. Additional fuel was required due to a less efficient heat rate. 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.
- **Production, transmission, and administrative and general** were \$2.1 million below budget. Projects were either completed below budget or expenses not required. The below-budget expenses include: 1) Rawhide non-routine projects, 2) communications consulting services, 3) software and hardware, 4) market services and 5) wheeling. The above-budget expenses include: 1) personnel and 2) digital consulting services.
- **Purchased power** was \$1.5 million below budget. The below-budget expenses include: 1) wind generation, 2) purchased reserves due to a lower rate than anticipated and 3) net energy delivered to Tri-State Generation and Transmission Association, Inc. (Tri-State) under the forced outage assistance agreement. The above-budget expenses include: 1) market and bilateral purchases to replace baseload generation during unplanned outages and curtailments, serve sales and to take advantage of lower-cost energy in the WEIS market and 2) hydropower purchases due to favorable water conditions.
- **Distributed energy resources** were \$0.8 million below budget due to the unpredictability of the completion of customers' energy efficiency projects, below-budget program consulting services and personnel expenses.

Capital additions, \$11.7 million below budget

Year-end estimates as of March 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 (\$ thousands)	2024 budget	Estimate	Favorable (unfavorable)	Carryover request
Below budget projects				
** Relay panel and breaker replacements - Airport Substation - This project will be below budget due to a delay to align the construction schedule with an existing City of Loveland project occurring in 2025. Also, procurement of materials will not occur in 2024 as originally anticipated. <i>The below-budget funds will be requested to be carried over into 2025.</i>	\$ 1,827	\$ 183	\$ 1,644	\$ 1,644
Evergreen controls hardware upgrade - Rawhide Unit 1 - This project will be below budget as not all milestone payments will be required in 2024 based on the latest project schedule. <i>The below-budget funds will be requested to be carried over into 2025.</i>	\$ 1,111	\$ 811	\$ 300	\$ 300
** Switch and CVT replacements - Timberline Substation - This project will be below budget as it is delayed until after the transformer work at Timberline Substation, which is not expected until late 2024. The revised project schedule will gain efficiencies with contractor mobilization and outages. <i>The below-budget funds will be requested to be carried over into 2025.</i>	\$ 211	\$ 61	\$ 150	\$ 150
Above budget projects				
* Solar substation 230 kV - Severance Substation - This project will be above budget due to design and cost increases. Primary cost drivers include professional services, land rights and crossing agreements, grading materials, substation materials and substation construction services.	\$ 10,156	\$ 19,857	\$ (9,701)	\$ -
Switchgear replacement - Soldier Canyon Pump Station - This project will be above budget due to price escalations for labor and materials. The scope was also increased to include variable frequency drives for each pump.	\$ 209	\$ 339	\$ (130)	\$ -
Out-of-budget projects				
** Mechanical pond pumps and control valves - headquarters - This project will replace the mechanical system pond pumps and control valves to improve building heating and cooling during peak seasons.	\$ -	\$ 253	\$ (253)	\$ -
Delayed projects				
Distributed energy resources management system - This project will be delayed to allow additional time for scope development, the request for proposal process and vendor selection. <i>The below-budget funds will be requested to be carried over into 2025.</i>	\$ 2,485	\$ -	\$ 2,485	\$ 2,485
Circuit breakers replacement 592, 596 - Ault Substation WAPA - 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
Circuit breakers replacement 492, 1092, 3124, 3224 - Ault Substation WAPA - 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
Network replacement - headquarters - This project will be delayed due to internal resources shifting to higher priority projects. <i>The below-budget funds will be requested to be carried over into 2025.</i>	\$ 345	\$ -	\$ 345	\$ 345

Project (\$ thousands)	2024 budget	Estimate	Favorable (unfavorable)	Carryover request
Canceled projects				
** Transformer nitrogen generator - Rawhide Unit 1 - This project was canceled. The nitrogen bottles will be replaced as an operating expense rather than installation of a nitrogen generator which is more economical with the remaining life of Rawhide Unit 1.	\$ 152	\$ -	\$ 152	\$ -

* Project details or amounts have changed since last report.

** Project is new to the report.

Debt service expenditures, at budget

Debt service expenditures include principal and interest expense for power revenue bonds and for lease and subscription liabilities.

Debt service expenditures (\$ thousands)	March		Favorable (unfavorable)		Year to date		Favorable (unfavorable)		Annual budget
	Budget	Actual			Budget	Actual			
Total principal	\$ 1,076	\$ 1,118	■	\$ (42) (3.9%)	\$ 3,634	\$ 3,659	◆	\$ (25) (0.7%)	\$14,015
Power revenue bonds	1,066	1,066	◆	- 0.0%	3,198	3,198	◆	- 0.0%	13,146
Lease and subscription liabilities	10	52	■	(42) (420.0%)	436	461	■	(25) (5.7%)	869
Total interest expense	\$ 417	\$ 417	◆	\$ - 0.0%	\$ 1,255	\$ 1,274	◆	\$ (19) (1.5%)	\$ 4,667
Power revenue bonds	416	416	◆	- 0.0%	1,248	1,248	◆	- 0.0%	4,642
Lease and subscription liabilities	1	1	◆	- 0.0%	7	26	■	(19) (271.4%)	25
Total debt service expenditures	\$ 1,493	\$ 1,535	■	\$ (42) (2.8%)	\$ 4,889	\$ 4,933	◆	\$ (44) (0.9%)	\$18,682

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

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	9,082					
Total revenue bonds outstanding	134,952					
Less: due within one year	(12,790)					
Total long-term debt, net	\$ 122,162					

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 are expected to be above budget at the end of the year. A budget contingency appropriation of approximately \$10 million may be required to cover the additional expenditures 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.
- **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 agreement was terminated following the expiration date which was in effect through and including March 31, 2024. Upon termination of the agreement, the Energy Account Balance was reduced to zero and Tri-State was invoiced \$1 million.
- **Accounting standard** - Platte River is subject to the updated recognition and measurement guidance for compensated absences under GASB 101 *Compensated Absences*. Results presented in the financial statements may not represent full implementation of the standard as staff evaluates the impact. Implementation will occur during 2024.

Budget schedules

Schedule of revenues and expenditures, budget to actual

March 2024

Non-GAAP budgetary basis (in thousands)

	Month of March		Favorable (unfavorable)
	Budget	Actual	
Revenues			
<i>Operating revenues</i>			
Sales to owner communities	\$ 18,186	\$ 17,639	\$ (547)
Sales for resale - long-term	1,577	1,283	(294)
Sales for resale - short-term	2,390	2,403	13
Wheeling	809	741	(68)
Total operating revenues	22,962	22,066	(896)
<i>Other revenues</i>			
Interest income ⁽¹⁾	876	872	(4)
Other income	43	73	30
Total other revenues	919	945	26
Total revenues	\$ 23,881	\$ 23,011	\$ (870)
Expenditures			
<i>Operating expenses</i>			
Purchased power	\$ 5,457	\$ 5,262	\$ 195
Fuel	3,793	2,674	1,119
Production	6,158	4,606	1,552
Transmission	1,814	1,681	133
Administrative and general	3,530	3,285	245
Distributed energy resources	1,095	839	256
Total operating expenses	21,847	18,347	3,500
<i>Capital additions</i>			
Production	3,581	166	3,415
Transmission	1,716	4,031	(2,315)
General	2,397	1,273	1,124
Asset retirement obligations	78	13	65
Total capital additions	7,772	5,483	2,289
<i>Debt service expenditures</i>			
Principal	1,076	1,118	(42)
Interest expense	417	417	-
Total debt service expenditures	1,493	1,535	(42)
Total expenditures	\$ 31,112	\$ 25,365	\$ 5,747
Revenues less expenditures	\$ (7,231)	\$ (2,354)	\$ 4,877

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

Schedule of revenues and expenditures, budget to actual

March 2024 year-to-date

Non-GAAP budgetary basis (in thousands)

	March year to date		Favorable	Annual
	Budget	Actual	(unfavorable)	budget
Revenues				
<i>Operating revenues</i>				
Sales to owner communities	\$ 55,503	\$ 54,680	\$ (823)	\$ 235,737
Sales for resale - long-term	5,120	3,805	(1,315)	20,086
Sales for resale - short-term	7,843	8,019	176	36,356
Wheeling	2,429	2,336	(93)	8,942
Total operating revenues	70,895	68,840	(2,055)	301,121
<i>Other revenues</i>				
Interest income ⁽¹⁾	2,586	2,692	106	11,569
Other income	248	252	4	282
Total other revenues	2,834	2,944	110	11,851
Total revenues	\$ 73,729	\$ 71,784	\$ (1,945)	\$ 312,972
Expenditures				
<i>Operating expenses</i>				
Purchased power	\$ 16,828	\$ 15,303	\$ 1,525	\$ 63,776
Fuel	11,872	9,451	2,421	51,119
Production	14,958	13,396	1,562	55,842
Transmission	5,684	5,264	420	21,412
Administrative and general	9,833	9,771	62	36,863
Distributed energy resources	2,973	2,142	831	13,664
Total operating expenses	62,148	55,327	6,821	242,676
<i>Capital additions</i>				
Production	4,854	850	4,004	12,363
Transmission	9,454	5,570	3,884	21,957
General	5,678	2,036	3,642	17,979
Asset retirement obligations	233	13	220	933
Total capital additions	20,219	8,469	11,750	53,232
<i>Debt service expenditures</i>				
Principal	3,634	3,659	(25)	14,015
Interest expense	1,255	1,274	(19)	4,667
Total debt service expenditures	4,889	4,933	(44)	18,682
Total expenditures	\$ 87,256	\$ 68,729	\$ 18,527	\$ 314,590
Contingency reserved to board	-	-	-	56,000
Total expenditures and contingency	\$ 87,256	\$ 68,729	\$ 18,527	\$ 370,590
Revenues less expenditures and contingency	\$ (13,527)	\$ 3,055	\$ 16,582	\$ (57,618)

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

Financial statements

Statements of net position

Unaudited (in thousands)

	March 31	
	2024	2023
Assets		
<i>Electric utility plant, at original cost</i>		
Land and land rights	\$ 19,446	\$ 19,446
Plant and equipment in service	1,482,641	1,467,872
Less: accumulated depreciation and amortization	<u>(986,465)</u>	<u>(945,910)</u>
Plant in service, net	515,622	541,408
Construction work in progress	39,658	25,317
Total electric utility plant	555,280	566,725
<i>Special funds and investments</i>		
Restricted funds and investments	24,628	24,021
Dedicated funds and investments	169,581	163,405
Total special funds and investments	194,209	187,426
<i>Current assets</i>		
Cash and cash equivalents	60,065	42,370
Other temporary investments	50,217	46,667
Accounts receivable - owner communities	17,613	17,363
Accounts receivable - other	6,273	9,483
Fuel inventory, at last-in, first-out cost	21,839	10,790
Materials and supplies inventory, at average cost	18,455	16,562
Prepayments and other assets	9,750	9,520
Total current assets	184,212	152,755
<i>Noncurrent assets</i>		
Regulatory assets	131,097	128,229
Other long-term assets	8,615	7,123
Total noncurrent assets	139,712	135,352
Total assets	1,073,413	1,042,258
Deferred outflows of resources		
Deferred loss on debt refundings	2,109	2,876
Pension deferrals	9,787	14,849
Asset retirement obligations	25,395	24,630
Total deferred outflows of resources	37,291	42,355
Liabilities		
<i>Noncurrent liabilities</i>		
Long-term debt, net	122,162	137,224
Net pension liability	28,274	30,520
Other long-term obligations	93,406	94,295
Lease and subscription liabilities	505	916
Asset retirement obligations	34,970	31,642
Other liabilities and credits	12,405	7,417
Total noncurrent liabilities	291,722	302,014
<i>Current liabilities</i>		
Current maturities of long-term debt	12,790	12,215
Current portion of other long-term obligations	889	889
Current portion of lease and subscription liabilities	668	338
Current portion of asset retirement obligations	933	1,547
Accounts payable	20,114	17,825
Accrued interest	1,664	1,856
Accrued liabilities and other	5,190	3,525
Total current liabilities	42,248	38,195
Total liabilities	333,970	340,209
Deferred inflows of resources		
Deferred gain on debt refundings	109	123
Regulatory credits	104,447	74,548
Pension deferrals	-	287
Lease deferrals	704	852
Total deferred inflows of resources	105,260	75,810
Net position		
Net investment in capital assets	407,075	399,778
Restricted	22,963	22,165
Unrestricted	241,436	246,651
Total net position	\$ 671,474	\$ 668,594

Note: Certain previously stated line items have been updated or reclassified to conform with final audited financial statements including restatement of prior year where applicable.

Statements of revenues, expenses and changes in net position

Unaudited (in thousands)

	Month of March	March year to date	
		2024	2023
Operating revenues			
Sales to owner communities	\$ 17,639	\$ 54,680	\$ 52,860
Sales for resale	3,686	11,824	14,784
Wheeling	741	2,336	2,484
Total operating revenues	<u>22,066</u>	<u>68,840</u>	<u>70,128</u>
Operating expenses			
Purchased power	5,262	15,303	12,160
Fuel	2,674	9,451	13,543
Operations and maintenance	6,285	19,053	18,527
Administrative and general	3,295	9,963	7,289
Distributed energy resources	839	2,190	1,255
Depreciation, amortization and accretion	3,461	10,410	9,568
Total operating expenses	<u>21,816</u>	<u>66,370</u>	<u>62,342</u>
Operating income	<u>250</u>	<u>2,470</u>	<u>7,786</u>
Nonoperating revenues (expenses)			
Interest income	871	2,631	1,561
Other income	73	252	245
Interest expense	(417)	(1,274)	(1,392)
Amortization of bond financing costs	111	332	369
Net increase/(decrease) in fair value of investments	280	(122)	2,102
Total nonoperating revenues (expenses)	<u>918</u>	<u>1,819</u>	<u>2,885</u>
Change in net position	<u>1,168</u>	<u>4,289</u>	<u>10,671</u>
Net position at beginning of period, as previously reported	<u>670,306</u>	<u>667,185</u>	<u>657,923</u>
Net position at end of period	<u>\$ 671,474</u>	<u>\$ 671,474</u>	<u>\$ 668,594</u>

Note: Certain previously stated line items have been updated or reclassified to conform with final audited financial statements including restatement of prior year where applicable.

Statements of cash flows

Unaudited (in thousands)

	Month of March	March year to date	
		2024	2023
Cash flows from operating activities			
Receipts from customers	\$ 20,453	\$ 68,547	\$ 74,384
Payments for operating goods and services	(14,803)	(47,403)	(45,463)
Payments for employee services	(5,230)	(16,276)	(12,933)
Net cash provided by operating activities	420	4,868	15,988
Cash flows from capital and related financing activities			
Additions to electric utility plant	(1,769)	(4,772)	(2,237)
Payments from accounts payable incurred for electric utility plant additions	(960)	(2,136)	(3,493)
Proceeds from disposal of electric utility plant	-	17	-
Payments related to other long-term obligations	-	(5,390)	(4,145)
Payments on lease and subscription liabilities	(53)	(487)	-
Net cash used in capital and related financing activities	(2,782)	(12,768)	(9,875)
Cash flows from investing activities			
Purchases and sales of temporary and restricted investments, net	(1,989)	(5,688)	(13,560)
Interest and other income, including realized gains and losses	942	2,933	1,800
Net cash used in investing activities	(1,047)	(2,755)	(11,760)
Decrease in cash and cash equivalents	(3,409)	(10,655)	(5,647)
Balance at beginning of period in cash and cash equivalents	63,474	70,720	48,017
Balance at end of period in cash and cash equivalents	\$ 60,065	\$ 60,065	\$ 42,370
Reconciliation of net operating income to net cash provided by operating activities			
Operating income	\$ 250	\$ 2,470	\$ 7,786
<i>Adjustments to reconcile operating income to net cash provided by operating activities</i>			
Depreciation	3,412	10,264	9,934
Amortization	(403)	(1,208)	(1,409)
Operating expenses relating to other long-term obligations	241	722	722
<i>Changes in assets and liabilities that provided/(used) cash</i>			
Accounts receivable	(601)	502	3,981
Fuel and materials and supplies inventories	(1,089)	(2,664)	(1,419)
Prepayments and other assets	(679)	(3,417)	(3,022)
Regulatory assets	96	289	533
Deferred outflows of resources	326	977	687
Accounts payable	(1,954)	(6,080)	(4,152)
Asset retirement obligations	(23)	(13)	(96)
Other liabilities	394	1,703	1,278
Deferred inflows of resources	450	1,323	1,165
Net cash provided by operating activities	\$ 420	\$ 4,868	\$ 15,988
Noncash capital and related financing activities			
Additions of electric utility plant through incurrence of accounts payable	3,701	3,701	1,110
Additions of electric utility plant through leasing and subscription	-	132	-
Amortization of regulatory asset (debt issuance costs)	6	18	20
Amortization of bond premiums, deferred loss and deferred gain on refundings	(117)	(351)	(389)

Note: Certain previously stated line items have been updated or reclassified to conform with final audited financial statements including restatement of prior year where applicable.

Schedule of net revenues for bond service and fixed obligations

Unaudited (in thousands)

	Month of March	March year to date	
		2024	2023
Bond service coverage			
Net revenues			
Operating revenues	\$ 22,066	\$ 68,840	\$ 70,128
Operations and maintenance expenses, excluding depreciation, amortization and accretion	18,355	55,960	52,774
Net operating revenues	3,711	12,880	17,354
Plus interest income on bond accounts and other income ⁽¹⁾	945	2,944	1,811
Net revenues before rate stabilization	4,656	15,824	19,165
Rate stabilization			
Deposits	-	-	-
Withdrawals	-	-	-
Total net revenues	\$ 4,656	\$ 15,824	\$ 19,165
Bond service			
Power revenue bonds	\$ 1,482	\$ 4,446	\$ 4,446
Coverage			
Bond service coverage ratio	3.14	3.56	4.31
	Month of March	March year to date	
		2024	2023
Fixed obligation charge coverage			
Total net revenues, above	\$ 4,656	\$ 15,824	\$ 19,165
Fixed obligation charges included in operating expenses ⁽²⁾	1,755	5,267	5,723
Adjusted net revenues before fixed obligation charges	\$ 6,411	\$ 21,091	\$ 24,888
Fixed obligation charges			
Power revenue bonds, above	\$ 1,482	\$ 4,446	\$ 4,446
Fixed obligation charges ⁽²⁾⁽³⁾	1,808	5,754	5,723
Total fixed obligation charges	\$ 3,290	\$ 10,200	\$ 10,169
Coverage			
Fixed obligation charge coverage ratio	1.95	2.07	2.45

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

⁽²⁾ Fixed obligation charges included in operating expenses are debt-like obligation payments including those for demand or capacity on contracted assets and any debt service associated with off-balance sheet obligations.

⁽³⁾ This value includes lease and subscription debt service expenditures which are not included in operating expenses.

Note: Certain previously stated line items have been updated to accord with the Strategic Financial Plan as adopted by the board in December 2023.



Platte River
Power Authority

Estes Park • Fort Collins • Longmont • Loveland

General management report

March 2024



Business Strategies

Communications, marketing and external affairs

For the March period, communications, marketing and external affairs staff:

Communications

Strategic communications

- Published the second in a series of public education articles about Platte River's path to a clean, reliable energy future, focusing on how Platte River is accelerating its energy transition.
- Continued efforts to draft the 2023 Annual Report for inclusion in the April board meeting packet.
- Updated request for proposals (RFP) page on Platte River's website to include questions/answers and other resources for all-dispatchable resource RFP issued mid-February.
- Distributed press releases announcing the appointment of Kevin Gertig and Jeni Arndt to board chair and vice chair, respectively and the scheduled scan of Platte River's transmission lines via helicopter and drone.
- Filmed the Rawhide 40th anniversary milestone video at Rawhide Energy Station. This milestone represents an opportunity to recognize the efforts and achievements of the employees and tell the story of our energy evolution.
- Supported resource planning staff in drafting the 2024 Integrated Resource Plan (IRP) document for inclusion in the April board meeting packet.
- Maintained steady engagement on social media with posts recognizing all four female mayors and Platte River board members for Women's History Month; Platte River's status as the first utility in Colorado to offer wind energy to the owner communities for National Renewable Energy Day; and Mayor Wendy Koenig's tenure on Platte River's board of directors and her decorated career.

Community relations

- Represented Platte River at the Poudre River Water forum, sharing Platte River's water story with local stakeholders.
- Welcomed United Way President/CEO Joy Sullivan to the headquarters business meeting and presented Platte River's 2023-24 Cornerstone Partnership donation.
- Attended KidWind at the Colorado State University Energy Institute's Powerhouse and discussed ways for Platte River to expand education and outreach efforts.
- Continued planning efforts for the NoCo Time Trials event, including communications with teachers, judges and event staff.

Marketing

- Worked to develop a targeted campaign for small and medium businesses and multifamily properties to promote Efficiency Works Business programs during Q2.
- Developed targeted email and social media campaign to promote limited-time rebates for the Efficiency Works Store during Earth Month. Campaign will be deployed April 8.
- Continued working on the translation of all Efficiency Works applications into Spanish, beginning with Consumer Engagement.
- Developed a series of infographics for Efficiency Works Homes (rebate application journey, becoming a service provider and heat pumps).
- Continued work to revamp the Efficiency Works website to launch later in 2024.

External affairs

- Met with:
 - Ethnie Treick, candidate for Colorado House District 52
 - Melanie Potyondy, Fort Collins' newest city council member
- Conducted a Platte River orientation for city council members Erin Black (Loveland), Jon Mallo (Loveland), and Diane Crist (Longmont). The orientation consisted of a presentation and discussion with Jason Frisbie followed by a tour of Rawhide Energy Station.
- Presented to the Larimer County League of Women Voters (topic: Platte River and IRP 101).
- Engaged in continued stakeholder conversations with the Colorado Energy Office regarding net-zero by 2040 legislation (not introduced as of 4/1/2024).
- Took official positions on five bills: SB24-165 (monitor), SB24-166 (oppose), HB24-1330 (monitor), HB24-1338 (current position is monitor; original position was amended), HB24-1339 (monitor).

Grants update

- Renew America's Nonprofits (RAN) grant: The U.S. Department of Energy selected the University of Colorado (CU) Boulder to receive a RAN grant; Platte River is a project partner, connecting CU Boulder with qualifying non-profits as an in-kind contribution to the grant.
- FY25 Congressionally Directed Spending: Platte River contributed a letter of support for the City of Fort Collins Streetlight System Replacement, Control, and Automation Project.

Human resources

Human Resources has continued to refine processes and procedures to implement the compensation study. The director leadership team initiated the process to update how performance will be measured as an evolution to our new compensation philosophy and approach. This work will be ongoing for the next several months.

Safety

- Safety specialist coordinated Windsor Audiology with Rawhide staff to perform ear molding and impressions for custom-made hearing protection.
- Safety staff collaborated with the communications and marketing team to coordinate the safe and efficient filming of the Rawhide 40th Anniversary video.
- Safety completed collaboration with headquarters staff to build and implement safety and emergency evacuation programs and processes for the campus' public access areas.

Injury statistics	2022 year end	2023 year end	YTD through March 2023	YTD through March 2024
Recordable injury rate	1.25	1.98	3.08	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 March 2024.

Emergency response team

- Rawhide hosted two emergency response team (ERT) training courses.
- The emergency services specialist continued work to implement new software for paging, reporting, and data retention for the ERT. Expected to be complete in April with launch shortly after.

Financial

2023 Financial results

Platte River staff identified an error in the fixed obligation coverage charge ratio calculation that occurred when updating the ratio for the new Strategic Financial Plan approved at the December 2023 board meeting. The obligations in the calculation were overstated. While this did not impact the overall change in net position results before deferrals, the correction did provide an additional \$1 million that was deferred and will be used in a future period under the board-approved deferred revenue and expense accounting policy. The financial results presented in the audit report reflect this change and differ from the preliminary financial results presented in February.

2025 Budget presentation

Platte River's 2025 budget process has begun. We continually look for ways to improve the existing process and to improve work planning and budgeting by better aligning scope, schedules and available resources. Staff received instructions on forms, processes and procedures to facilitate departmental

budget preparation and align their budgets with the strategic initiatives. Below is a condensed schedule to show the overall budget process.

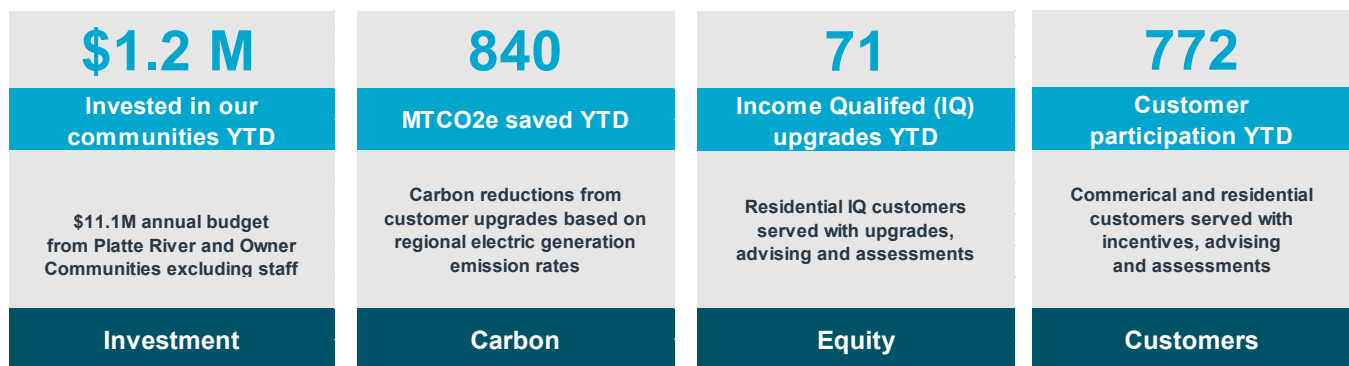
March to May	Kickoff presentations and preparation of budget details by departments
June	Data compilation, division budget reviews and reporting
July	Senior leadership and GM/CEO budget review
August	Refine budget and document preparation
September	Budget work session with board
October	Public hearing and board review of budget modifications
November	Prepare final budget document
December	Final budget review with board and request adoption

Clean energy transition and integration

Distributed energy solutions

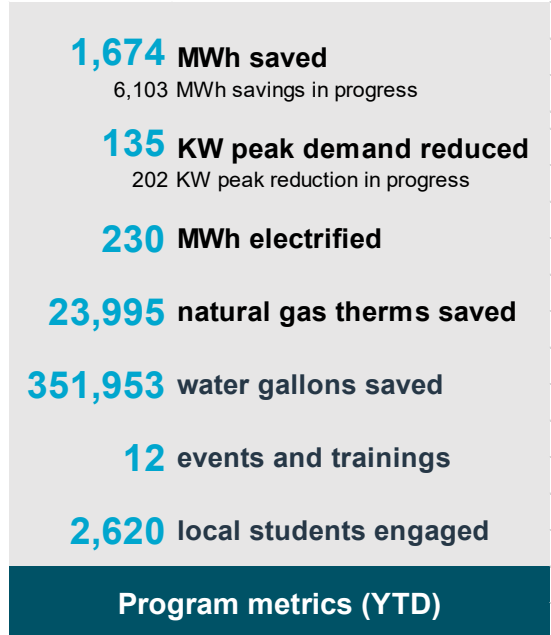
Through the administration and implementation of Efficiency Works™, the distributed energy solutions department continues to transition the customer energy program portfolio to meet the customer's and utility's changing needs. The ongoing evolution focuses on building electrification and electric vehicle support. Platte River hosted owner community staff on March 19 for the second of two meetings on 2025 program planning and budgeting discussions to find common alignment for all five entities to support existing and new initiatives.

Key department achievements year to date include the following:



The table below lists programming impacts year to date within our owner communities. Additional detailed department achievements in March include the following:

- The Efficiency Works Homes team completed a study through APEX Analytics to better understand how smart building electrification upgrades affect income-qualified customers' utility bills. This study supports expanded Efficiency Works income-qualified residential programming.
- Efficiency Works consumer engagement staff began developing new online platforms for consumer education on many energy products to be launched in late 2024. They also prepared to expand appliance recycling to encourage customers to remove older, inefficient appliances from their properties, which will be launched in the second quarter of 2024.
- Efficiency Works Business continued to increase the outreach to the business community in during the first quarter of 2024 by attending six community events held by chambers, business associations and utility accounts, allowing staff to speak directly with 120 customers. Efficiency Works Business also started posting news articles twice a month in all four communities' Chambers of Commerce eNews. This effort has a reach of about 8,200 customers and helps Efficiency Works share available program resources and limited-time bonus details.



Through March 2024, Efficiency Works programs have provided services for energy efficiency, building electrification, water savings and electric vehicles and have spent \$1.2 million providing these services to customers (excluding staff costs). Currently, Platte River has budgeted \$9.5 million for these program offerings, with an additional \$1.6 million available through owner community directive funding. Owner communities may provide additional directive funding as the year progresses.

Digital departments

The digital department includes 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

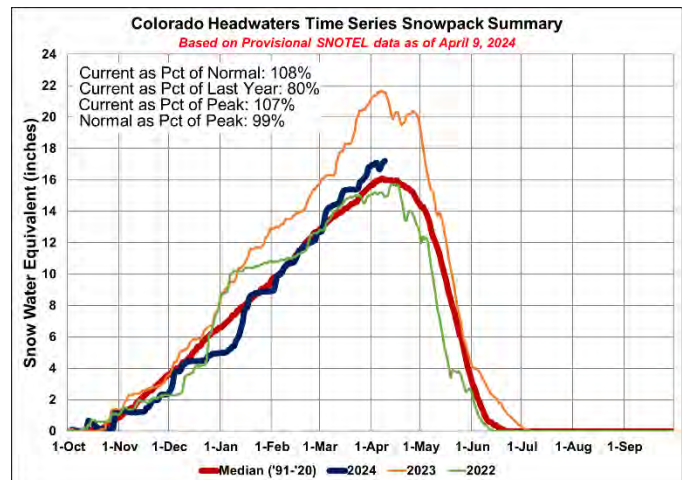
- Oracle Cloud Fusion Enterprise Resource Planning system implementation
 - The second conference room pilot for Oracle Utilities Work and Asset Cloud Service and Oracle Field Service Cloud started on March 25 and will be completed on April 11. Successful completion of this testing is an important milestone in the project lifecycle.

- OSI Energy Management System implementation
 - The database conversion from the current Survalent Supervisory Control and Data Acquisition system to the new Open Systems International Monarch Energy Management System (EMS) is largely complete. The team is now in “parallel maintenance” mode, where both system databases will operate concurrently.
 - Testing of all the data and control points in the new system is in process.
 - Testing of Inter Control Center Communication Protocol communications with Tri-State and Western Area Power Administration has been completed. Testing with Southwest Power Pool and Public Service Company of Colorado is in progress.
 - Factory accepting testing of the system is scheduled for mid-May, and staff is preparing for that process. This will be the first fully functional test of the new EMS in the new environment.

Operations

Fuels and water

Though not quite as robust as last year, snowpack conditions in the Colorado Headwaters basin are still on track to peak at or above average in 2024 (see graph). Combined with significant carryover storage from last year, the resulting spring runoff is expected to be more than sufficient to fill and spill Lake Granby, which generally occurs in late June or early July. While the above-average snow totals would typically be a good sign for Windy Gap operations, the resulting lack of storage capacity in Lake Granby will prevent the project from pumping this spring. So, Platte River staff will begin efforts to secure alternative water supplies to satisfy Platte River’s obligations to Fort Collins under the Reuse Plan for the remainder of the 2024 water year.



As anticipated in last month’s report, the Chimney Hollow project contractor resumed double shift work in March, and site progress is ramping up toward summer. The main dam has now passed the halfway point and is rising by nearly four feet per week. Meanwhile, after “holing through” in March, the inlet-outlet tunnel is now continuous from the upstream portal to the downstream portal. Remaining work in the tunnel includes grouting, completing the tunnel lining, and installation of pipeline components. The overall project is approximately 59% complete and is expected to be completed by fall of 2025.

Follow up items

Third Amendment to Intergovernmental Agreement for the Funding and Coordination of a Joint Compensation Study

In March 2012, Platte River's human resources manager worked with the owner communities' human resources departments on utility staffing and compensation strategies. Everyone agreed there were advantages to cooperating to conduct a joint compensation study coordinated by Platte River to benefit the owner communities. The parties entered into a board-approved intergovernmental agreement (IGA) in which Platte River hired and paid for a consultant to conduct the study, and each owner community reimbursed Platte River for its allocated share of the costs.

Because the studies benefited the owner communities, Platte River agreed to continue coordinating new studies every three to four years under the same terms and conditions of the IGA. A third amendment to the IGA is underway. The cities of Fort Collins, Loveland, and Longmont have all signed the amendment, and it is currently with the Estes Park Town Board for approval. Under the previous and current third amendment to the IGA, Platte River not only coordinates the study, but also pays one-half the total costs. The owner communities split the other half based on their proportionate shares of Platte River energy sales to all owner communities.