

How Platte River is proactively managing its clean energy transition costs

LOVELAND, CO, USA, May 31, 2024 /EINPresswire.com/ -- [Platte River Power Authority](#) is the wholesale electricity provider for Estes Park, Fort Collins, Longmont and Loveland. As a public power utility, Platte River takes seriously its responsibility to maintain the organization's foundational pillars to provide reliable, environmentally responsible and financially sustainable energy and services to the owner communities.

Since inception, the organization has taken steps to maintain financial sustainability by following a strategic financial plan that continues to result in a high credit rating, enabling access to low-cost capital. In addition, Platte River's strategy of owning and operating baseload resources and securing financially advantageous fuel supplies has led to a low-cost, reliable system for the last several decades.

In 2018, Platte River's Board of Directors passed the Resource Diversification Policy, establishing a goal to pursue a 100% noncarbon energy portfolio while maintaining the foundational pillars. Platte River's resource planning staff immediately got to work to help identify the resources and investments needed to achieve the policy. At the time, pricing



Fort Collins, CO



Longmont, CO

for renewable energy projects was trending downward and industry information supported the assumption that this trajectory would continue. Additionally, Platte River was among only a handful of utilities with accelerated decarbonization plans.

Much has changed since the Resource Diversification Policy was adopted. The global pandemic triggered widespread supply chain issues and contributed to increased costs for labor, capital, equipment and new resources. State and federal clean energy policies also created intense competition for renewable resource projects and related equipment and staffing.

“Over the last few years, nothing has gone our way financially to help make this transition,” says Jason Frisbie, CEO of Platte River. “Wind, solar, capital and labor costs continue to increase and we’re having to make timely resource commitments in this volatile environment to stay on track as we pursue our 2030 goal.”

Platte River is replacing long-term low-cost assets before normal retirement with more expensive renewable and low-carbon resources to achieve the Resource Diversification Policy. With increased costs across the industry, average wholesale rate increases will support this energy transition.

Because electricity is a vital public health and safety service, it is imperative that no one should be without power, and everyone deserves a clean energy future that is reliable, environmentally responsible and financially sustainable. A proactive strategy of incremental wholesale rate increases helps minimize the financial impact and lessens the need for significant, single-year wholesale rate hikes during this transition period.

Platte River will continue to be informed by the work on its integrated resource plan and add renewables and dispatchable capacity to best meet the community-driven 100% noncarbon goal.

“We are decarbonizing our energy portfolio because our communities asked us to,” says Dave Hornbacher, assistant city manager for the City of Longmont and Platte River board member. “We are implementing every measure available to accomplish this goal in the most cost-effective



Platte River Power Authority

manner so we don't leave anyone behind."

To learn more about Platte River's commitment to a clean energy future, visit prpa.org/future.

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