



Regular Meeting Minutes of the Board of Directors  
2000 E. Horsetooth Road, Fort Collins, CO 80525  
Thursday, December 7, 2017

## **ATTENDANCE**

### **Board Members**

Representing Estes Park: Mayor Todd Jirsa and Reuben Bergsten

Representing Fort Collins: Mayor Pro Tem Gerry Horak

Representing Longmont: Mayor Brian Bagley and Tom Roiniotis

Representing Loveland: Mayor Jacki Marsh and Steve Adams

**Absent:** Mayor Wade Troxell

### **Platte River Staff**

Jason Frisbie (General Manager/CEO)

Joe Wilson (General Counsel)

Dave Smalley (Deputy GM and Chief Financial Officer)

Karin Hollohan (Chief Administrative Services Officer)

Andy Butcher (Chief Operating Officer)

Alyssa Clemens Roberts (Chief Strategy Officer)

Angela Walsh (Executive Assistant)

Paul Davis (Customer Services Manager)

Shelley Nywall (Controller)

Wade Hancock (Financial Planning Manager)

Jeff Menard (Facilities and Fleet Supervisor)

Pat Connors (Vice President of Power Supply)

Mindy Pfeleger (Senior Accounting Analyst)

Brad Decker (Strategic Planning Manager)

Mike Jones (Senior Resource Planner)

Andy Cofas (Plant Manager)

### **Guests**

Tim McCollough (Fort Collins Utilities)

Kevin Gertig (Fort Collins Utilities)

Will Welch (Wm T. Welch Company LLC)

Stuart Lumsden (Gleeds)

Joe Bernosky (Loveland Water and Power)

Alan Braslau (Fort Collins Energy Board)

Christian Lindsey (Praxair)

Jane Clevenger (Loveland resident)

Sharon Carlisle (Loveland resident)

Gary Vicinus (Pace Global)

Paul Sharpe (Pace Global)

Anant Kumar (Pace Global)

Michael Mount (Pace Global)

Mathew Roling (HDR Engineering)

Todd Aquino (HDR Engineering)

Eric Sutherland (Fort Collins resident)

## **CALL TO ORDER**

Chairman Roiniotis called the meeting to order at 9:02 a.m. A quorum of board members was present and the meeting, having been duly convened, was ready to proceed with business. Chairman Roiniotis introduced the two new board members; Jacki Marsh, Mayor of Loveland, and Brian Bagley, Mayor of Longmont. Director Steve Adams introduced Christian Lindsey with Praxair and three Loveland residents. Chairman Roiniotis announced the meeting was live streamed into a downstairs conference room for public overflow. Jason Frisbie, general manager and CEO, mentioned the holiday gifts given to the board members were made by a Platte River retiree, and noted that all board members have received their updated versions of the board orientation manuals.

## **ACTION ITEMS**

### **(1) Consent Agenda**

- a. Approval of the Regular Meeting Minutes of October 26, 2017**
- b. 2018 Proposed Board of Directors Regular Meeting Schedule**

Director Jirsa moved to approve the Consent Agenda as presented. Director Bagley seconded, and the motion carried 7-0.

## **PUBLIC COMMENT**

Eric Sutherland, a Fort Collins resident, discussed the City of Fort Collins time of use rate changes.

## **COMMITTEE REPORTS**

### **(2) Retirement Committee Report**

**(presenter: Steve Adams)**

Committee Chairman, Steve Adams, provided a recap of the November Retirement Committee meeting.

The Plan's investment consultant, Innovest, reported the performance of the Plan through September. For the year, Plan assets increased \$7.7 million to \$102.1 million. The increase resulted from net cash outflows of approximately \$820,000 and investment gains of \$8.5 million. The return year to date was 8.1 percent, above the benchmark return of 7.8 percent. Innovest reviewed an external benchmarking report on advisor fees, indicating that Platte River's fees are in the lowest quartile. The Committee also approved an updated investment policy statement.

Director Adams stated the Retirement Committee report is for informational purposes, and no board action is necessary. However, the next item on the agenda asked the board to appoint a board member to the Retirement Committee to replace Dennis Coombs who no longer serves on Platte River's board or Retirement Committee. The next Committee meeting is scheduled for February 2018.

## **BOARD ACTION ITEMS**

### **(3) Retirement Committee Appointment (presenter: Joe Wilson)**

Chairman Roiniotis reiterated the requested appointment of a retirement committee member and mentioned Director Todd Jirsa had expressed an interest to serve on the committee. The Chairman opened the floor for nominations.

Director Bergsten moved to approve Resolution 12-17: Retirement Committee Appointment of Todd Jirsa as nominated. Director Bagley seconded, and the motion carried 7-0.

### **(4) Appointment of Secretary (presenter: Joe Wilson)**

Chairman Roiniotis mentioned the position of Secretary was vacant upon the departure of Cecil Gutierrez, and staff recommended the appointment of Angela Walsh, current Assistant Secretary to the Board of Directors. Chairman Roiniotis opened the floor for further nominations. Director Bagley nominated the appointment of Angela Walsh. With no other nominations, Chairman Roiniotis closed the nomination floor.

Director Jirsa moved to approve Resolution 13-17: Appointment of Angela Walsh to Secretary as presented. Director Marsh seconded, and the motion carried 7-0.

### **(5) 2017 Board Contingency Appropriation Transfer – Capital Additions (presenter: Shelley Nywall)**

Shelley Nywall, controller, presented a summary of the requested 2017 Board Contingency transfer to the 2018 budget. As mentioned in past general management reports, staff has noted a need to move contingency funds to cover unbudgeted project work in addition to projects in the original 2017 capital budget. This is not uncommon and typically there are several requests for out-of-budget projects and/or projects that require additional funds that are requested throughout the year. These requests go through a formal submission, review, and approval process, with final approval by the general manager. Ms. Nywall referred to the memo provided within the board packet on page 37 showing the \$1.1 million requested for the contingency transfer to cover replacement of the bottom ash pond system. Ms. Nywall mentioned that the carry over amount will be brought back to the board at the February meeting, and the listed projects have been provided on page 108-109 of the board packet on the table labeled Capital Addition Variances.

Director Horak asked why staff does not adjust the 2018 budget, which would eliminate the need for the contingency transfer. Ms. Nywall responded that because funds were previously appropriated for the projects, this is cleaner for internal reporting and more transparent for project funding. Director Bergsten offered an example of what happens when contingency transfer does not occur. Director Horak clarified his question by commenting that it appears that projects must compete for funds if enough wasn't previously budgeted. Ms. Nywall explained the internal process for reviewing out of budget requests from project managers. Mr. Frisbie acknowledged asking the same questions, however, agrees with the way the internal process currently works showing the timing of each project and projected completions. The alternative would be to cancel the project and re-budget for the next year which can cause significant timing issues. Director Horak asked for the 5-year history of contingency transfers. Ms. Nywall referred him to page 21 of the budget document showing the history of contingency requests since 2008.

Director Adams moved to approve Resolution 14-17: 2017 Board Contingency Appropriation Transfer – Capital Additions as presented. Director Bagley seconded, and the motion carried 7-0.

**(6) 2018 Annual Budget Review and Adoption (presenter: Shelley Nywall)**

Ms. Nywall presented a summary of budget items that have changed since the October board meeting and highlighted the new sections added to the budget document for 2018.

Director Horak asked if approval of the 2018 budget will automatically approve the HQ campus project and asked if there was documentation of the pros and cons of doing the project. Karin Hollohan, chief administrative services officer, responded that there will be an updated cost analysis on the project later in the meeting, however, a “pros and cons list” has not been put together within the last year. Ms. Hollohan noted a facts sheet for board members to use as talking points had been previously provided to them. Director Horak clarified that the budget should include documentation supporting the need for the project. Discussion among the directors and staff ensued regarding the HQ campus. Director Horak asked how the budget document ties directly to large projects. Additional discussion ensued regarding supporting documentation for large capital projects within the budget, and how the digital copy can have links to the supporting documents for those projects. Director Adams commented that the budget should include a one-page summary of the capital projects that are reflected within the numbers. Mr. Frisbie responded that staff will gather the various documents that currently exist to provide requested documentation on the HQ campus and staff will work on adding additional information into the 2019 budget.

Chairman Roiniotis declared that the 2018 Proposed Annual Budget for Platte River Power Authority has been delivered to the Board of Directors in accordance with applicable law. Legal notices have been published announcing that the Proposed Budget had been made available to the public for inspection and that a public hearing was held on October 26 in order for the board to receive public comment on the Proposed Budget prior to final adoption of the Budget by the end of the year.

Director Bagley moved to approve Resolution 15-17: 2018 Annual Budget Review and Adoption as presented. Director Adams seconded. Director Adams congratulated staff for the work and presentations of the budget process this year. The motion carried 7-0.

**(7) Fiber Optic Network Accounting Policy (presenter: Shelley Nywall)**

Ms. Nywall summarized the information provided within the memo outlining the proposed accounting procedures for the Platte River fiber network and mentioned one word change within the policy. The second sentence of the last paragraph on page 49 should read, “The relocation cost of the fiber optic network, or any portion thereof, will be borne by the entity requesting the relocation.”

Director Bergsten moved to approve Resolution 16-17: Fiber Optic Network Accounting Policy as presented. Director Jirsa seconded, and the motion carried 7-0.

**(8) MWTG/SPP Membership Agreement-Authorization to Execute (presenter: Andy Butcher)**

Andy Butcher, chief operating officer, provided a brief description and background of the Mountain

West Transmission Group (MWTG) and the Southwest Power Pool (SPP) initiative for the new board members, and provided a status update on membership processes.

Due to timing, Mr. Butcher recommended that authorization be given to the general manager to sign membership agreements once negotiations are concluded provided that the rights negotiated to date are maintained. The membership agreements will be signed before regulatory approvals are complete, noting that if the regulatory approvals are not granted or conditioned, the memberships will terminate. Director Bagley confirmed his understanding that going into the market is essential to adding renewable resources. Mr. Butcher confirmed that it would help create a better opportunity to integrate renewables into the system. Mr. Frisbie added that the ZNC study will provide analysis supporting participation in the SPP market versus the current bi-lateral market.

Director Bergsten requested clarification that the resolution would result in an organized market membership. Mr. Butcher confirmed that the resolution authorizing the general manager to execute a membership agreement would allow participation in the common tariff and the energy market. Discussion ensued among Directors and staff regarding the efforts behind moving into the market and seven entity's staffs working together to enter a market at the same time.

Director Horak moved to approve Resolution 17-17: MWTG/SPP Membership Agreement-Authorization to Execute as presented. Director Bagley seconded. Director Horak commented on entering into a market offers the opportunity to spread out renewable energy within the market and will result in the need for more transmission lines to accommodate the addition of renewable resources. The motion carried 7-0.

## **MANAGEMENT PRESENTATIONS**

### **(9) HQ Campus**

**(presenter: Karin Hollohan)**

Ms. Hollohan introduced the headquarters campus project supervisor, Jeff Menard, and the owner's representatives, Will Welch and Stuart Lumsden, who provided an update on the project to date. Ms. Hollohan noted that engaging FCI Contractors early in the process has helped validate the cost estimates, guide design changes that helped reduce costs during the schematic design phase and streamline the construction timeline.

Mr. Welch and Mr. Lumsden presented the current processes, cost model, site development plan, and schedule for the project, noting that the design development stage is complete.

Director Marsh asked the square footage of the overall project. Mr. Lumsden responded with about 93,000, with the main headquarters building at 55,000.

Mr. Lumsden continued with the presentation noting that the revised construction schedule shaved three months off the timeline contributing to a savings in costs. Mr. Welch reviewed the site layout for the new board members noting that nothing has changed since the October board presentation. Director Marsh asked a follow up question on building square footage, inquiring about the square footage of the present facility. Mr. Lumsden responded 42,000 is the current main building square footage. Mr. Frisbie clarified that the current headquarters campus including the main building and the E & O building is 42,000 and the new main building will be 55,000.

Ms. Hollohan added the updated floorplan incorporates the board room and training rooms on the main level of the building and will be open for public access, effectively doubling the current

amount of space for public access.

Mr. Lumsden reviewed the list of cost reduction strategy areas, currently saving about \$5.5 million for the overall project.

Director Adams commented on renewed interest in employee health by employers and asked why the fitness area line item size was reduced or removed. Mr. Welch responded that it was not removed, and that floorplan area is still being worked on. Ms. Hollohan mentioned that one question the board asked involved the amount of meeting spaces and conference rooms planned. Platte River staff went back to evaluate the planned spaces and confirmed the need for those spaces, primarily due to employees moving from offices to cubicle spaces in the new building.

Mr. Welch concluded with the timeline including the advancement of the construction document stage and permitting processes.

### **10:11 - 15 Minute Break**

#### **(10) Strategic Financial Plan Proposed Revisions (presenter: Wade Hancock)**

Wade Hancock, financial planning manager, reviewed the strategic financial plan (SFP) background, the current SFP revision purpose and proposals, and next steps. Mr. Hancock referred to the memo and whitepaper starting on page 65 within the board packet for additional information and mentioned that no formal adoption will be asked of the board at this meeting, however, staff is looking for any feedback the board may have on the proposed changes. Staff will bring the SFP back to the board for formal adoption at the February board meeting.

Director Bagley asked what rates will do after 2027 according to the provided growth curve. Mr. Hancock clarified that the chart scaling appears more dramatic than the numbers are and the numbers for 2030 reflect adding a combined cycle resource to cover capacity growth. Mr. Frisbie added that the modeling numbers reflect the current integrated resource plan (IRP), not the ZNC modeling. Director Bagley asked a follow up question regarding the combined cycle resource being discussed in the next agenda item. Mr. Butcher clarified that under the IRP base load case the retirement of the Craig Units occurs by 2030 and the capacity deficit will be covered by the combined cycle unit.

Staff requests timely board feedback and suggestions for the February adoption. Mr. Hancock clarified that the SFP will no longer be incorporated into the Strategic Plan and it will be a stand-alone document. Director Bergsten asked if it would change Platte River's AA rating. Mr. Hancock replied that the SFP is developed to maintain Platte River's AA rating. Director Horak complimented staff on providing more rational parameters associated with the numbers instead of using static numbers.

#### **(11) Wind PPA Execution (presenter: Pat Connors)**

Pat Connors, vice president of power supply, provided an update on the wind purchase power agreement (PPA), the timeline, the preferred proposal with Roundhouse Renewable Energy (Enyo), the project details with associated costs and risks to the project, and recommendations to the board.

Joe Wilson, general counsel, commented that the pending tax reform act is creating some complications, and confirmed that the continuation of an alternative minimum tax and a new tax

included in the Senate version creates issues with the value of production tax credits (PTC's) over a 20-year time frame. Staff expects a resolution within a few weeks. Director Bergsten asked if the act could be a deal breaker for the project. Mr. Frisbie responded that it could create some challenges and significant expense. Mr. Wilson added that it could affect prices now and will complicate the contracting process. Director Horak asked if Platte River staff have expressed concerns with the Colorado Delegation. Mr. Wilson responded that yes, staff has sent letters on these issues to the delegation. Continued discussion ensued among Directors and staff regarding the Colorado Delegation.

Mr. Connors continued with the presentation showing a map of the proposed project. The project as presented with improved turbine locations will allow up to 48 percent of municipal load served by carbon free resources based on 150 MW. Director Adams asked where existing transmission lines are currently at and where the proposed transmission lines will go. Mr. Connors pointed out that the existing lines shown on the map wouldn't be used and pointed out the proposed new transmission line route located by the railroad spur to Rawhide. Director Adams asked if a new transmission line would trigger the 1041 planning process for Larimer County. Staff responded that it would. Director Horak confirmed that there are no plans for transmission lines that will go through Soapstone Natural Area. Staff confirmed that was never a plan for the lines to go through that area. Director Horak suggested calling the transmission line the "green line".

Mr. Connors continued with the presentation providing a summary of provisions and risks possible with the project. Director Horak asked about costs associated with building the transmission lines. Mr. Connors responded that estimates are \$500,000 to \$1 million per mile. Director Bagley asked for clarification on what curtailment means. Mr. Frisbie responded that curtailment means Platte River will pay for the energy that could have been produced even if it was not needed. Discussion ensued among Directors and staff on what curtailment means and financial implications of curtailing energy.

Mr. Connors turned the presentation over to Mr. Hancock to talk about long term rate impact on adding 150 MW or 225 MW of wind energy. Chairman Roiniotis asked how being involved in an RTO would change the ability to reserve capacity on the transmission line. Mr. Connors responded the new transmission line from the wind site would remain separate from the transmission network for the first five years requiring other entities to ask for approval before using the lines. Director Bagley asked a follow up question to the curtailment discussion as it relates to the availability of 150 MW versus 225 MW. Director Marsh asked if Enyo is an established entity in the wind industry. Director Horak clarified that the RFP included past projects and company information. Discussion ensued regarding the RFP process and the associated due diligence.

Mr. Connors proceeded to provide staff recommendations. Director Horak asked if the large commercial customers have been involved within the process. Mr. Butcher responded that the question relates to the additional 75 MW wind capacity. Mr. Frisbie commented that the additional 75 MW provides Fort Collins additional renewable energy to meet large customer's requests. Mr. Frisbie reiterated the recommendation is to move forward with a 150 MW PPA. Director Jirsa asked when staff will consider the extra 75 MW of energy. Additional discussion ensued regarding entering into the market and how that will affect the cost savings for the size of the project, and processes evaluated with SPP.

Director Horak asked about legislative strategy on the recent tax reform issues. Mr. Wilson responded that Platte River has been working with and through American Public Power Association (APPA) and Large Public Power Council (LPPC), both of which have lobbyists focused on these issues. Discussion ensued regarding working with Senator Gardner. Chairman

Roiniotis asked if other utilities are moving towards 100 percent renewable energy resources. Mr. Frisbie wasn't aware of any going 100 percent renewable. Director Bergsten commented on the importance of communication as everyone moves into a market.

Mr. Frisbie complimented Mr. Butcher and his staff for their work on MWTG, the wind procurement, and the Zero Net Carbon modeling.

Director Adams asked if another entity has been asked to join us in the wind project. Mr. Butcher responded that there's always opportunities, however, market congestion is a risk as Platte River moves into a market and staff will look at that very closely.

**(12) Zero Net Carbon Modeling Report (presenter: Andy Butcher/Pace Global)**

Mr. Butcher introduced the consultants who presented the Zero Net Carbon (ZNC) Modeling report from Pace Global and HDR; Gary Vicinus, Anant Kumar, Paul Sharpe with Pace Global and Mathew Roling and Todd Aquino with HDR Engineering. Mr. Butcher noted a slight correction made on pages 27 and 28 of the report and the printed report was handed out to the board. Mr. Vicinus provided a brief introduction to Pace Global and the services they provide in the utility industry, a background to the ZNC modeling request and presented the results to the board.

Mr. Vicinus explained the distinction between zero carbon goals and zero net carbon goals. Chairman Roiniotis asked about the difference in approaches in mitigation of carbon from the global perspective. Mr. Vicinus responded that on a global perspective it would be the same, but for Platte River the zero-net carbon approach would mitigate for more than just Platte River. Director Horak commented on other customers claiming the zero-carbon credit. Mr. Vicinus responded that the question isn't who claims the credit, it's the total emissions in the region.

Mr. Vicinus discussed the Aurora modeling used for this study, and the assumptions and options associated with the least cost portfolio. Chairman Roiniotis clarified that Platte River can achieve zero net carbon and, in addition, reduce carbon outside Platte River municipalities within the overall market according to the model. Mr. Vicinus confirmed.

Mr. Vicinus explained the carbon accounting methodology used within the study. Director Bergsten asked if other communities have completed modeling like Platte River's ZNC study. Mr. Vicinus responded that there are communities looking at similar approaches, and some have signed up to achieving zero net carbon. Director Horak commented that no one is attempting zero net carbon systematically as was discovered while setting resolution goals for the City of Fort Collins.

Mr. Vicinus continued with an explanation of the assumptions used within the model. Director Bergsten asked if there is a FERC enforced reserve requirement within Platte River's region that Platte River will have to meet. Mr. Butcher responded that the regional reserve margin is 15 percent as an industry standard and is an imposed value above and beyond the municipal load to ensure meeting any uncertainties, and it's not a FERC or NERC requirement. Mr. Frisbie added that reserve margins help stabilize the regional system in the event a utility loses a major base load resource.

Mr. Vicinus described the use of lithium ion batteries within the study and showed the all-in costs of solar and wind resources. Mr. Frisbie clarified that the results reflect remaining in a bi-lateral market. Mr. Vicinus confirmed that everything being presented was as if Platte River remained in a bi-lateral market and noted that some information and data would change within a regional

market.

Mr. Vicinus discussed the variability of wind and solar capacity factors, especially the changes between 2025 and 2030 when the coal resources were being removed. Mr. Frisbie asked if the solar and wind is an annualized capacity factor per hour represented on the chart. Mr. Vicinus confirmed the chart showed an annualized average of capacity factors.

Director Bagley asked about the 75 percent capacity credit of the lithium ion battery option and asked what it meant. Mr. Vicinus responded that the assumption indicated that the full capacity of batteries cannot be counted on at a single point in time because of their use for multiple services across the day. Director Bagley asked a follow up question and Mr. Vicinus responded that there are a number of factors that go into the variable, and batteries would be used for firming and/or adding to the reserve capacity, but when a battery is used for one of these purposes its availability for the other purpose is reduced which is why it's not available 100 percent of the time. Director Bagley asked how many batteries of 4-hour storage would be required for the amount of wind and solar shown in the report. Mr. Vicinus responded that the model will show what the cheapest way is to achieve zero net carbon, and batteries were higher cost which is why the combination of combined cycle with the wind and solar was the least cost portfolio option. Director Bagley asked if the numbers used for the batteries were representative of today's technology or did Pace model the future costs of batteries. Mr. Vicinus stated that the numbers are representative of what the costs are projected to be when the use of batteries will be required over time. Chairman Roiniotis confirmed that at a certain point in time the model will begin to select storage as an option. Mr. Vicinus confirmed that the model could have selected it as an option, however, further into the presentation it will show that the model did not select storage as an option due to cost assumptions. Director Adams asked if Pace looked at megawatt sized storage technology capabilities. Mr. Vicinus responded that PACE evaluated the lithium ion battery storage, acknowledging the other technologies that are starting to come to fruition, but the ability to evaluate how rapidly they will come is speculative. For this study lithium ion was selected due to the knowledge of the technology, also noting that in two to three years the conversation could change. Chairman Roiniotis commented on having optionality. Mr. Vicinus said that Platte River will want the flexibility to take advantage of new technologies when they become cost effective.

Mr. Vicinus turned to evaluating the current IRP for comparison with the ZNC options. Mr. Vicinus reviewed the costs associated with the IRP assumptions, and then switched over to the ZNC targets. Director Bergsten confirmed the report was showing nameplate capacity, not projected annual capacity factor performance of the resources. Mr. Vicinus then explained the portfolio mix and timing required to achieve zero net carbon by 2030. Director Bergsten asked how quickly a combined cycle unit can ramp compared to Rawhide. Mathew Roling of HDR Engineering responded that a combined cycle unit can ramp from zero to full load in 20 minutes or less. Mr. Frisbie responded that you can ramp Rawhide about 7 megawatts a minute. The main point is you need more flexible resources to complement additional renewables in your portfolio, which is the advantage of combined cycle generation.

Mr. Vicinus then moved on to discuss the cost of the zero-net carbon model. He stated that the cost relative to the current IRP model is about 20 percent higher in nominal dollars in 2030 and over time the cost actually becomes cheaper when you have to replace Rawhide in 2047. On a net present value basis over the time period from now through 2050 the cost increase is about 8 percent.

Director Adams asked how the model accounts for the stranded cost of shutting down RH early. Mr. Vicinus responded by stating that the cost is reflected in the replacement of Rawhide with a

new resource. Accounting for Rawhide shutting down early is a financial issue not an economic issue.

Mr. Vicinus stated that from his perspective the zero-net carbon portfolio is feasible, but will require a significant investment in renewables, higher costs and additional risks. Storage is not economic at this time, however, costs are expected to continue to decline. An additional risk is that if other companies add more renewables, it may become more difficult to balance resources and market pricing may also decline. Mr. Vicinus went on to state that 100 percent renewable portfolio versus a zero-net carbon portfolio would be significantly more expensive because of the high reliance on renewables and battery storage only and the market could not be utilized to offset carbon. Mr. Vicinus went on to explain that numerous sensitivities in future analysis should be incorporated into studies. Modeling a zero-net carbon portfolio in an RTO market should be pursued and should produce favorable results compared to the current bi-lateral market because there is much more liquidity in an organized market. Director Bergsten asked how frequently wind prices go negative. Mr. Vicinus responded that it happens frequently in areas with high renewable penetrations like California and Texas.

Director Adams asked how the model accounts for the regulatory climate with carbon resources. Pace responded that it is speculation at this point, but a carbon emission price is built into the model. Discussion ensued about potential carbon costs in the future and the implications on regional portfolios. Additional discussion around the need for new transmission to connect renewables to load centers took place. Director Marsh asked whether Platte River should consider the economic development benefits accrued from being a leader in zero carbon power production.

Mr. Vicinus closed by stating that there should be additional model runs with different sensitivities and assumptions as we further refine the model. Director Horak stated that the point of the study was to determine if there is a path forward economically and this study demonstrated that further analysis should be conducted. Director Horak also stated that this is a possible path forward not an action plan. Mr. Frisbie stated that he was encouraged by the results and that this is just the beginning of additional analysis that needs to be conducted. Mr. Frisbie further stated that a comprehensive solution is required which includes distributed generation, energy efficiency and demand response. Mr. Frisbie stated that he believes remaining adaptable as Platte River has in the past will continue to serve Platte River and the four municipalities well moving forward. Mr. Smalley stated that no rate impact studies have been conducted yet but will be included once further refinement of the model takes place.

Chairman Roiniotis complimented staff and Pace on the outstanding work. Director Horak stated the he appreciated the modeling effort on a system level versus individual models for each Municipality.

**MANAGEMENT REPORTS – none for the December meeting.**

**MONTHLY INFORMATIONAL REPORTS**

**(13) Legal & Governmental Affairs Report**

**(presenter: Joe Wilson)**

Board Chair Roiniotis asked the board if there were any questions or comments regarding the legal and governmental affairs report contained within the board materials. No questions or comments were raised.

**(14) October Operating Report**

**(presenter: Andy Butcher)**

Board Chair Roiniotis asked the board if there were any questions or comments regarding the October operating report contained within the board materials. No questions or comments were raised.

**(15) October Financial Report**

**(presenter: Dave Smalley)**

Board Chair Roiniotis asked the board if there were any questions or comments regarding the October financial report contained within the board materials. Mr. Smalley reminded the board that the November Operating and Financial reports will be sent via email to the board once the reports were complete. No questions or comments were raised.

**(16) General Management Report**

**(presenter: Jason Frisbie)**

Mr. Frisbie pointed out a mistake within the general management report on page 117 regarding the Loveland Fire Department within the health care paragraph. Mr. Frisbie also provided an update on the community solar program and project planning, noting that the project will be re-configured to incorporate battery storage component before moving forward with the project.

**Roundtable and Strategic Discussion Topics**

Board members shared the latest news from the municipalities and discussion topics for future meetings.

**ADJOURNMENT**

With no further business, the meeting adjourned at 12:49 p.m. The next regular board meeting is scheduled for Thursday, February 22, at 9:00 a.m. in the Platte River Power Authority Board Room, 2000 East 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 22 day of February, 2018.

  
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Secretary

