



Regular Meeting Minutes of the Board of Directors  
2000 E. Horsetooth Road, Fort Collins, CO 80525  
Thursday, May 31, 2018

## **ATTENDANCE**

### **Board Members**

Representing Estes Park: Mayor Todd Jirsa<sup>1</sup> and Reuben Bergsten<sup>2</sup>  
Representing Fort Collins: Mayor Wade Troxell and Mayor Pro Tem Gerry Horak  
Representing Longmont: Mayor Brian Bagley and Tom Roiniotis  
Representing Loveland: Mayor Jacki Marsh and Joe Bernosky

### **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 Clemsen Roberts (Chief Strategy Officer)  
Angela Walsh (Executive Assistant)  
Steve Roalstad (Communications and Marketing Manager)  
Justin Allar (Security Program Supervisor)  
Craig Johnson (Deputy General Counsel)  
Julie Depperman (Treasury Manager)  
Brad Decker (Strategic Planning Manager)  
Joel Danforth (Customer Services Program Manager)  
Carol Ballantine (Manager of Power Generation Dispatch and Power Markets)  
Amy Meger (Record and Information Governance Manager)  
Andy Cofas (Plant Manager)  
Paul Davis (Customer Services Manager)

### **Guests**

Christine Watson Mikell (Enyo)  
Eric Stautenberg (Enyo)  
Erin Bebeau (Logan Simpson)  
Sandra Hagen Solin (Capitol Solutions)  
Alan Braslau (Fort Collins Energy Board)  
Tim McCollough (City of Fort Collins Electric Director)  
Marsha Martin (Longmont City Council)  
Daylan Figgs (City of Fort Collins staff member)  
Kevin Jones (Fort Collins Chamber of Commerce)

## **CALL TO ORDER**

Chairman Roiniotis called the meeting to order at 9:01 a.m. A quorum of board members was present and the meeting, having been duly convened, was ready to proceed with business. The

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<sup>1</sup> Attended via Skype. Dismissed self at 10:30 a.m.

<sup>2</sup> Attended via Skype.

Chairman noted that Directors Jirsa and Bergsten were joining via Skype. Andy Butcher, chief operating officer, introduced Christine Mikell and Eric Stautenberg with Enyo. Chairman Roiniotis introduced Longmont council member Marsha Martin. Director Horak introduced Daylan Figgs with the City of Fort Collins.

## **ACTION ITEMS**

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

#### **a. Approval of the Regular Meeting Minutes of April 26, 2018**

Director Troxell moved to approve the Consent Agenda as presented. Director Bagley seconded, and the motion carried 8-0.

## **PUBLIC COMMENT**

None.

## **BOARD ACTION ITEMS**

### **(2) Debt Financing Reimbursement Resolution (presenter: Julie Depperman)**

Julie Depperman, treasury manager, reiterated the information provided to the board at the April meeting and that staff recommended adoption of the resolution provided in the board packet. Ms. Depperman noted that this resolution does not authorize Platte River to issue debt but allows Platte River to start tracking costs on expenses paid for with existing cash for the HQ campus project. Based on this resolution Platte River will be able to reimburse cash withdrawals once debt is issued to replenish reserves. This type of reimbursement resolution is an IRS requirement when issuing debt for expenditures incurred prior to the financing.

Director Bernosky moved to approve Resolution 07-18: Debt Financing Reimbursement. Director Troxell seconded. The motion carried 8-0.

### **(3) Policy Approvals and Rescissions (presenter: Joe Wilson)**

Joe Wilson, general counsel, noted that the requested board action was the final step in the internal policy quality management project staff has been working on for the past two years. Mr. Wilson noted the five resolutions were provided within the board packet. The first one rescinds ten outdated resolutions described within the memo and discussed at the April board meeting.

Director Bagley moved to approve Resolution 08-18: Rescissions of Resolutions. Director Bernosky seconded. The motion carried 8-0.

Mr. Wilson provided a description of the next resolution and the electronic mail policy initially adopted by the board in 1997. Adoption of resolution 09-18 will rescind the previous resolution and replace the outdated electronic mail policy with an updated policy.

Director Bagley moved to approve Resolution 09-18: Revised Electronic Mail Policy. Director Bernosky seconded. The motion carried 8-0.

The next two proposed resolutions involved updates to accounting policies. Neither changes the

intent of the policies, rather the resolutions adopt revised policy language and move accounting procedures from the policy documents to supporting documents. The first of the accounting resolutions addresses pension funding.

Director Marsh moved to approve Resolution 10-18: Revised Accounting Policy – Pension Funding. Director Bagley seconded. The motion carried 8-0.

The second accounting policy resolution addresses accounting practices that recognize debt financing issuance costs over a period of time, moving procedures from the policy into a procedures document.

Director Bergsten moved to approve Resolution 11-18: Revised Accounting Policy – Debt Issuance Cost. Director Jirsa seconded. The motion carried 8-0.

Mr. Wilson noted the final proposed resolution updates the market manipulation auditing from the current requirement of two audits per year to at least one audit per year. The reduction is based on polling similar public utilities' practices. The policy still prohibits any kind of market manipulation.

Director Bagley moved to approve Resolution 12-18: Market Manipulation Policy. Director Troxell seconded. Director Horak complimented staff on their work to keep documents organized. The motion carried 8-0.

## **MANAGEMENT PRESENTATIONS**

### **(4) Wind Transmission Update (presenter: Christine Watson Mikell with Enyo)**

Christine Watson Mikell from Enyo Energy introduced the core team that has been working together on the project. Ms. Mikell provided an update on the Platte River wind project with milestones to operation, communication efforts with the City of Fort Collins to obtain permits for the transmission line, provided a brief introduction to the company and land the project will be occupying. Director Bagley asked if they have been receiving pushback on the transmission line. Director Horak answered that there is pushback from the land conservation stewardship board of Fort Collins due to the project affecting viewsheds and other things. Discussion ensued among directors on concerns among the land conservation board and the City of Fort Collins city council. Ms. Mikell introduced Daylan Figgs and asked that he provide background to the natural areas and utilities using scientific data and discussed Energy by Design.

Director Bagley asked if it's possible for the four communities to move towards 100 percent renewable energy without these transmission lines. A collective no from both board and staff was expressed. Director Horak stated that this project is an educational opportunity because this line will be carrying renewable energy and this transmission line should be seen as a good thing. Director Bagley reiterated that if people are against this transmission line that they are also against renewable energy.

Ms. Mikell stated that Enyo will continue to work with Wyoming and City of Fort Collins to make sure that all parties are comfortable with the project.

Ms. Mikell reviewed the timeline for transmission line routes and the permitting process through the Colorado counties (depending on the route) and through the state of Wyoming. Director Horak noted that the Larimer County Planning Commission, which provides recommendations to the

Larimer County Commission, recently turned down a 1041 application. Ms. Mikell noted that Logan Simpson is evaluating the proposed routes and will make a recommendation later this summer and conduct surveys later this fall. Director Horak asked what the public outreach will be. Ms. Mikell responded with plans for a neighborhood type meeting or open house. She is working with the City and Platte River to determine the where and when, tentatively planning on the end of July. Alyssa Clemens Roberts added that the website is up to date with facts on the project and frequently asked questions. Discussion on what will be on the website ensued. Director Horak asked if there are plans for a media and/or public tour of the proposed route. Mr. Figgs responded that there is a community engagement plan developed and will consider a tour of the site. Director Horak requested that be shared with the Platte River board and the Fort Collins city council.

Ms. Mikell returned to the timeline for the remaining milestones and easement grant. Director Troxell complimented Ms. Mikell on working with the staff from Platte River and the city and requested Enyo to look at new technologies and incorporate innovative values. Chairman Roiniotis asked what circuit line it will be – single circuit or double circuit structure – in terms of future capacity. Eric Stautenberg responded that the design hasn't been completed yet and safety factors are being considered and it will come down to the final design process before a decision is made.

Director Marsh asked if a site in Wyoming is being considered because Coloradoans don't have an appetite for the visual appearance of a wind farm. Ms. Mikell responded that this was the closest site to Rawhide with the greatest ability to provide value to the system, especially if Platte River enters into a market. Mr. Butcher added that staff received lots of bids and this site was the best because this project wouldn't require a third-party transmission provider and it will serve Platte River's load directly. Director Horak added a wind map comparing Wyoming and Colorado – shows best place for wind – and noted that Platte River will be in charge of this transmission line. Director Horak also asked staff to be prepared to answer questions on distributed energy and costs associated in moving forward with this project. Jason Frisbie, general manager and ceo, added that a study was conducted about ten years ago evaluating placing wind on the Rawhide property and the max capacity configuration was about a 33 percent capacity factor compared to mid-forties in Wyoming. Discussion ensued regarding transmission services for other project locations. Director Bergsten asked if additional fiber optics for operations will be included within the easement acquisition process. Mr. Butcher responded that its still in the planning process and no decisions have been made at this time.

**(5) Synopsis of State Legislation of Interest (presenter: Sandra Hagen Solin)**

Mr. Wilson introduced Platte River's lobbyist, Sandra Hagen Solin with Capitol Solutions, who handles state matters on Platte River's behalf. Ms. Solin thanked the board for the opportunity to work with and represent Platte River. Ms. Solin provided a summary for the latest legislative session that just ended and what may be in the works for 2019.

Brief discussion ensued among directors and staff on the transportation issue for Northern Colorado.

Director Troxell commented on representation on the Energy Council by Chris Hansen and any reengagement with the state regarding energy related perspectives. Ms. Solin noted Chris Hansen has been very engaged in the energy issues. Ms. Clemens Roberts noted that she and Mr. Hansen appeared during a conference this past year in Steamboat Springs. Ms. Solin noted that she will engage with Mr. Hansen.

Director Bergsten asked questions surrounding health care for self-insured organizations. Ms. Solin responded the discussion during legislative session centered around the demographics and implications on self-insured organizations, but that no policy solutions moved forward.

**(6) Draft 2018-2021 Strategic Plan (presenter: Alyssa Clemesen Roberts)**

Ms. Clemesen Roberts reminded the board of the previous presentation given at the April board meeting, noted the changes incorporated since the last board meeting, reiterated the initiatives, and mentioned that staff will bring a final to the board in July for approval. Director Horak complimented the addition of resource diversification and alignment language. Chairman Roiniotis commented on Platte River's strategy towards decarbonizing the portfolio while maintaining the three pillars and requested to strengthen the three-pillar message within the strategic plan with a policy statement. Director Horak concurred and requested the three-pillar language be added to the beginning of the document. Chairman Roiniotis continued by endorsing clear language reflecting the organization commitment to moving forward.

Discussion ensued among directors and staff about the owner communities adopting resolutions regarding achieving 100 percent renewable energy. Director Bagley noted the board has yet to make a statement to move forward as aggressively as possible while maintaining the three pillars of sustainability, reliability and affordability. Director Troxell suggested including a close partnership with the four owner communities while evaluating integration and innovation to have a broader impact in moving aggressively. Directors Horak and Troxell noted the 100 percent renewable resolution handed to the City of Fort Collins city council and mentioned city staff working with Platte River staff to form a workable resolution, not just a grand statement, and doing it in a way that makes sense for the four owner communities. Mr. Frisbie commented on internal discussions that have taken place regarding a more strategic approach within the strategic plan and reference a board approved policy reflecting the boards direction. Mr. Frisbie added that the strategic plan will continue to evolve, however, the board approved policy would continue to reflect the desired direction. Director Horak suggested addressing the direction within the message from GM/Chair at the beginning of the document. All were supportive of seeing another draft of the Strategic Plan representing the additional language and a policy draft.

Ms. Clemesen Roberts reviewed the look and feel of the final report. Director Troxell asked about the bracketed year range – 2018-2021. Ms. Clemesen Roberts responded that the document is intended to be a three to five-year approach reflecting changes that are happening within the next year recognizing that the plan will need to be revisited by 2021. Director Troxell reiterated that by bracketing the years, it assumes it wouldn't change and offered using terms of years not bracketing allows for an evolving document. Discussion ensued among directors and staff regarding building in mechanisms of a rolling guidance document to have an ability to update more frequently if needed.

**10:30 – 10:43: Break**

**(7) Community Solar/Storage RFP Status (presenter: Brad Decker/Joel Danforth)**

Brad Decker, strategic planning manager, provided an update of the RFP process for the current community solar and storage project stating the three distinct phases within development for commercial solar and storage.

Director Bagley mentioned an article about lithium ion batteries and companies using cobalt from mines using child slave labor. Mr. Decker mentioned that within the integrated resource plan (IRP)

Platte River will commission a study that will examine life-cycle impacts and considerations of solar, wind and batteries from manufacture to the disposition of retired materials. Director Troxell asked Mr. Decker for a definition of storage. Mr. Decker responded that anything could be considered, mentioning pumped hydro for an example. Mr. Butcher acknowledged evaluating multiple storage technology options. Discussion ensued among directors and staff regarding storage and managing load advantages. Mr. Frisbie mentioned the updated generation technology as a more comprehensive document that will be used throughout the IRP process, and the IRP will have a fundamental difference reflecting integration and management, spread out generation resources, and comprehensive solutions.

Discussion ensued among directors and staff on decoupling storage from the solar projects, spreading out in various locations.

Mr. Decker referred to the strategic plan initiative of resource diversification and including storage also throughout the service territory. Director Bernosky noted that it's not a generation issue, but rather a transmission/distribution issue to pay attention to.

Mr. Decker proceeded with his presentation summarizing the RFP timeline, the companies that submitted bids to review, the bid evaluation process and selection criteria, and storage options to consider. Mr. Decker mentioned that the bids currently on the short list for negotiations are reflecting about an average of \$37/megawatt hour (MWh) solar pricing comparing to wind pricing. Mr. Frisbie reminded the board that when Platte River pulled back from the 5 MW solar project pricing was around \$48-50/MWh, noting the larger project will be serving the citizens at a better price. Director Troxell commented on solar panels being direct current (DC) and needing to convert to alternating current (AC); what the costs are and if the mentioned bids are reflecting raw costs or conditioned costs. Mr. Decker responded that they are conditioned costs or all-in costs including interconnection costs noting some systems are DC coupled. Director Marsh asked what the quality of panels are and if the quality of panels is considered. Mr. Decker responded that all vendors use different technology, it's part of reviewing each bid, and Platte River is looking for high grade standards with preferred technologies. Mr. Butcher added that risks of panel quality are on the vendor and Platte River only pays for the energy that is generated and there are standards that need to be met in generation. Director Marsh asked about the environmental hazards from solar panels, and if Platte River has any say in panel disposal. Mr. Decker mentioned that it is the bidder's obligation to dispose of panels and to meet industry standards. Mr. Butcher added that it's generally the bidders' obligation to generate, manage and dispose of solar projects. Mr. Decker mentioned that part of the IRP process is to evaluate the life cycle of each integrated generation resource.

Mr. Decker discussed the storage costs within the vendor bids and the lack of vendors with experience in installing storage. Director Troxell asked how solar helps with the inertia needed to manage the electric grid. Mr. Butcher responded that solar provides no inertia for the system and must rely on other interconnected resources to keep the system in balance. Director Troxell further commented that storage can provide reactive power to support the grid as well as reserves and dispatchable capacity.

Mr. Decker summed up the risk management assessment for batteries and the solar bids noting flexibility with terms, how Platte Rivers manages the generation on system, conduct market operations, and how to optimize the interconnection on the system and how we integrate this solar onto the system with the additional wind and current renewables.

Director Marsh asked to see vendors plans of disposal before choosing vendors. Mr. Wilson noted

there would be language within the agreements concerning lawful disposal. Discussion ensued among directors and staff on disposal of panels and what the plans for disposal will be.

Mr. Decker concluded with bidder considerations and noted that the storage options are not economical but are important to Platte River learning storage operations and dispatchability. Director Horak asked the estimate of how much solar capacity is possible for Platte River to put on the Rawhide site. Mr. Frisbie mentioned an email that was distributed to address that question and will find the email for the information. Later in the meeting Mr. Frisbie noted that in total with the current 30 MW of Rawhide solar, 300 MW's of solar could be housed at the Rawhide site.

**(8) Managing Renewables in Markets**

**(presenter: Andy Butcher)**

Mr. Butcher provided a comparison of energy markets as they operate today; bilateral market compared to an energy market.

Director Troxell asked if storage is in the current picture. Mr. Butcher mentioned that Platte River makes decisions on our own and cannot depend on storage in a bilateral market due to balancing loads before the hour starts. Director Troxell asked if that balance includes reserves that are held by Platte River or by a balancing agency. Mr. Butcher responded that Platte River does hold reserves but only to fulfill Xcel's requirement to help manage the need they may have in a reserve commitment. Discussion ensued regarding reserves and meeting load requirements.

Mr. Butcher discussed the operating differences between a bilateral market and organized markets, and balancing loads and resources day ahead and hour ahead planning. He noted that Xcel Energy is Platte River's balancing authority. Director Bagley asked what Xcel has that Platte River doesn't have that makes Platte River have to go to Xcel. Mr. Butcher responded that Xcel is a governmental registered entity that has the ability to instantaneously regulate a system through a diverse resource pool – flexible generation (hydro, fleet of combined cycle gas units) making it cheaper to lean on Xcel to balance the load than using our gas units.

Mr. Butcher discussed balancing intermittent generation when renewables are added to cover a greater percentage of the load and why bilateral markets are out of date and organized markets help stabilize the intermittent resources. Director Bagley asked about human interaction involved when scheduling within a bilateral market. Mr. Butcher responded that right now in the bilateral market, two people are on the phone scheduling resources to meet the anticipated load. Chairman Roiniotis commented on geographic diversity with renewable resources and an organized market helps with those resources. Mr. Butcher agreed and added that being in a market will make it much easier to put more than 50 percent renewable energy onto the system without adding additional dispatchable balancing resources such as Xcel has.

Director Bagley commented on an RTO being crucial for adding more renewable energy and clarified his understanding that if Platte River does not enter into an RTO that the board should be prepared to spend money which will challenge the third pillar of financial sustainability. Director Bagley continued by requesting for an update regarding the Mountain West Transmission Group and the Southwest Power Pool (SPP) negotiations. Mr. Butcher responded that multiple meetings have occurred since the April board meeting and at the time of the May board meeting, nothing had been agreed upon, however, everyone is still interested in moving into a market. Mr. Butcher noted that for the short term, entities are working with the joint dispatch agreements. Discussion ensued between directors and staff regarding the continued efforts in joining a market and that the entities interested are still working together.

Director Troxell asked about considerations regarding a capacity market and why it wasn't considered in joining SPP. Mr. Butcher responded that the entities in the west agreed that a capacity market was not an option at this time.

Mr. Butcher showed what is needed to balance a load with energy resources. Director Bagley asked what happens when there are no purchasers of the extra energy generated and if it ever happens. Mr. Butcher responded that it does happen, and current procedure is for staff to back down coal resources to make room for the renewables, however, if those resources are still too much that's when wind resources can be curtailed, adding that with new solar/wind resources coming it will happen more often. Mr. Frisbie noted the inversion of price for renewables reflected within financial reports, and Platte River may pay someone to take the energy in a bilateral market at times.

Mr. Butcher summarized as Platte River moves forward with more than 50 percent carbon-free resources the need to solve this issue and push forward into markets becomes a greater priority. Chairman Roiniotis thanked Mr. Butcher for providing an educational presentation.

**(9) WAPA Hydro Contracts (presenter: Carol Ballantine)**

Due to the time, Mr. Frisbie requested to move this presentation to July. All concurred.

**MANAGEMENT REPORTS**

**(10) Rate Design and Philosophy Whitepaper Draft (presenter: Dave Smalley)**

Dave Smalley, chief financial officer, introduced the whitepaper prepared by NewGen Strategies, informing the board the purpose is a comprehensive review of Platte River's rate making process with a two-phase process; phase one is to develop rate philosophy and rate strategy, and phase two is to develop rate design options. Mr. Smalley noted that the whitepaper outlines the current situation, anticipated future state, rate related goals and guiding principles. Staff is requesting feedback from board on the whitepaper document to incorporate when consultants from NewGen join the July board meeting and mentioned that staff will bring back a draft rates policy to the board in August.

Director Bernosky thanked staff for accepting feedback from utility directors and city staffs.

**MONTHLY INFORMATIONAL REPORTS**

**(11) Legal & Governmental Affairs Report (presenter: Joe Wilson)**

Chairman Roiniotis asked the board if there were any questions or comments regarding the May Legal and Governmental Affairs report contained within the board materials. No questions or comments were raised.

**(12) April Operating Report (presenter: Andy Butcher)**

Mr. Butcher highlighted operating results for the month of April noting a higher than normal hydro capacity due to water runoff generation in the Columbia basin which reduced market pricing and resulted in a lower capacity factor at Rawhide as well as the Craig Station. Mr. Butcher noted one events of significance for April regarding the malfunction of the baghouse at Rawhide and accomplishing resolution within twelve minutes.

**(13) April Financial Report**

**(presenter: Dave Smalley)**

Mr. Smalley highlighted two items within the report; a medical claim and better than anticipated budget results for year to date due to a series KK debt financing not occurring and lower fuel expenses on pricing with the Trapper mine royalty reductions.

**(14) General Management Report**

**(presenter: Jason Frisbie)**

Mr. Frisbie highlighted an update to the safety chart to incorporate calculations, the completion of an annual cyber security incident exercise, medical expense claim noted within the financial report, and pumping of windy gap water for the first time in 5 years.

Director Horak asked about IRP update on page 148 and why it takes two years to write. Mr. Butcher responded that the writing doesn't take that long but it's the stakeholder process that drives the length of creation and preparation for multiple studies with ten or more running in background resulting in a two to three-year process. Director Horak requests discussion of the IRP to be added to the board agenda and asked about the physical location of the generation desk update.

**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 12:10 p.m. The next regular board meeting is scheduled for Thursday, July 26, 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 26 day of July, 2018.

  
Secretary

