Board of directors
August 29, 2019
Board appointments discussion

Craig N. Johnson, senior deputy general counsel
Where we have been, where we are going

- Staff provided a white paper at the July board meeting discussing the historic practices for the appointment of directors.
- Staff received input from the board regarding the qualifications that are desirable for board appointees to assist the board in carrying out its ongoing mission.
- Staff prepared a draft resolution, included in the board packet, incorporating the input received to date.
- Staff seeks further input from the board on the draft, which will be finalized and presented to the board at September meeting for approval.
Underlying policies

• The intent to balance political representation with technical expertise on the board is clear from the Organic Contract.

• It is equally clear that it was not intended that the appointed board members be utility directors of an owner community or any community.
Other considerations

• The qualifications should take into consideration the role of the board as strategic policy maker, meaning business acumen and judgment are as important as technical expertise.

• There is a preference for a statement of qualifications that is broader and more general in nature, rather than limited to a specific list of education or experience.
Proposed qualifications

- The candidate’s experience in, and knowledge of, the industry in which the Authority operates;
- Any previous experience the candidate has as a director or in management of an organization similar to the Authority or with a municipal entity;
- The extent to which the candidate shares the mission, vision and values of the Authority; and
- Any technical or professional skills and knowledge possessed by the candidate to assist with ongoing aspects of the board’s role.
Questions
Board of directors
August 29, 2019
Agenda

Energy Engagement Center
  • Overall schedule
  • Site plan
  • Exterior rendering
  • Interior renderings
  • Floor plan

Project Milestones

Building tour
  • Site layout
  • Floor plan
Project schedule

- Schematic design: 14 weeks
- Design development: 8 weeks
- Contract documents: 8 weeks
- Permitting: 16 weeks
- Construction: 36 weeks

- 2019: September
- 2020: January, March, December

Board update
Overall view
Energy Engagement Center
Interior east view
Interior west view
Floor plan

AUDITORIUM SEATING
350 PEOPLE SEATED
(MAXIMUM SEATING CAPACITY)

AUDITORIUM SEATING
260 PEOPLE SEATED
(GENEROUS SPACING)

ROUND TABLES
180 PEOPLE SEATED

REC. TABLES / CHAIRS FORWARD
180 PEOPLE SEATED

Total Gross Square Footage - 5,726 square feet
Conference Room Net Square Footage - 3,665 square feet
Headquarters tour
Project milestones

• Currently on schedule and on budget
• Early October - exterior to be fully enclosed
• Mid September – starting SCADA/Telecom/IT infrastructure installation
• Late November – Temporary Certificate of Occupancy
• Early December – move employees into new building
Site plan
Headquarters – 2nd floor
Questions?
2020 Integrated Resource Plan (IRP)

- At the December 2018 meeting, staff informed the board of various studies and preparation work necessary for the IRP
- Currently on track with preparation work:
  - Some studies concluded, others being finalized
  - Five portfolios developed and an analysis has begun
  - Second round of community listening sessions coming up in October 2019
IRP schedule

2018
- Develop planning objectives
- Consultant studies and reports
- Stakeholder outreach

2019
- Initial assumptions and model development
- Internal review
- Revisions and document development
- Final review and IRP delivery

2020
- Stakeholder outreach
- Submission to WAPA ≈12 months ahead of schedule
## Supporting studies

<table>
<thead>
<tr>
<th>Study</th>
<th>Status</th>
<th>Release</th>
</tr>
</thead>
<tbody>
<tr>
<td>Generation and technology review</td>
<td>Completed</td>
<td>Q1</td>
</tr>
<tr>
<td>Regional economic impacts</td>
<td>Completed</td>
<td>August board meeting</td>
</tr>
<tr>
<td>Efficiency and demand side management potential</td>
<td>Near completion</td>
<td>Q4</td>
</tr>
<tr>
<td>Coal cycling</td>
<td>Near completion</td>
<td></td>
</tr>
<tr>
<td>Resource adequacy</td>
<td>Near completion</td>
<td></td>
</tr>
<tr>
<td>Thermal resources</td>
<td>Near completion</td>
<td>Data sets included in final IRP</td>
</tr>
<tr>
<td>Energy storage</td>
<td>Near completion</td>
<td></td>
</tr>
<tr>
<td>Market analysis</td>
<td>Near completion</td>
<td></td>
</tr>
<tr>
<td>Life cycle impacts</td>
<td>On-going</td>
<td>Q4</td>
</tr>
</tbody>
</table>
## Five IRP portfolios

<table>
<thead>
<tr>
<th>Name</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>Continuity</td>
<td>Maintain reserve margins, continue to implement resource diversification policy</td>
</tr>
</tbody>
</table>
| Zero carbon          | Two cases:  
1. Retire entire fossil fleet by 2030  
2. 100% non-carbon electricity to owner communities by 2030 (net carbon approach) |
| Zero coal            | Retire all coal-fired units and maintain peaking units                                                                                   |
| Rawhide flexibility  | Turn Rawhide into a more flexible coal plant with lower minimums, higher ramp rates and low cost hot stand-by                              |
| Integrated utilities | Battery and solar prices drop more than projected. Higher penetration of electric vehicles (EV), distributed energy resources (DER), batteries and microgrids |
## Community listening plan

<table>
<thead>
<tr>
<th>Owner community</th>
<th>Dates</th>
</tr>
</thead>
<tbody>
<tr>
<td>Longmont</td>
<td>Oct. 16, 2019</td>
</tr>
<tr>
<td>Loveland</td>
<td>Oct. 17, 2019</td>
</tr>
<tr>
<td>Estes Park</td>
<td>Oct. 23, 2019</td>
</tr>
<tr>
<td>Fort Collins</td>
<td>Oct. 24, 2019</td>
</tr>
</tbody>
</table>
Next steps

• Staff will continue to complete the nine supporting studies for the IRP.
• Modeling has begun and will be completed in the fourth quarter of 2019.
• Staff will have further updates for the board at the December board meeting.
Questions
Board of directors
August 29, 2019
## July operational results

<table>
<thead>
<tr>
<th>Category</th>
<th>July variance</th>
<th>YTD variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Municipal demand</td>
<td>(1.8%)</td>
<td>(4.9%)</td>
</tr>
<tr>
<td>Municipal energy</td>
<td>(1.6%)</td>
<td>(3.1%)</td>
</tr>
<tr>
<td>Baseload generation</td>
<td>(12.0%)</td>
<td>(10.3%)</td>
</tr>
<tr>
<td>Wind generation</td>
<td>14.7%</td>
<td>(9.9%)</td>
</tr>
<tr>
<td>Solar generation</td>
<td>(0.3%)</td>
<td>(10.0%)</td>
</tr>
<tr>
<td>Surplus sales volume</td>
<td>(25.5%)</td>
<td>(7.6%)</td>
</tr>
<tr>
<td>Surplus sales price</td>
<td>39.1%</td>
<td>33.0%</td>
</tr>
<tr>
<td>Dispatch cost</td>
<td>0.4%</td>
<td>(0.8%)</td>
</tr>
</tbody>
</table>

**Variance key:**
- Favorable: ◆ >2%
- Near budget: ◇ +/- 2%
- Unfavorable: ■ < -2%
Board of directors

August 29, 2019
# Financial summary

<table>
<thead>
<tr>
<th>Category</th>
<th>July variance from budget ($ in millions)</th>
<th>Year to date variance from budget ($ in millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net income</td>
<td>$1.2</td>
<td>$8.3</td>
</tr>
<tr>
<td>Fixed obligation charge coverage</td>
<td>.83x</td>
<td>.67x</td>
</tr>
<tr>
<td>Revenues</td>
<td>$ -</td>
<td>($0.7)</td>
</tr>
<tr>
<td>Operating expenses</td>
<td>$1.1</td>
<td>$7.5</td>
</tr>
<tr>
<td>Capital additions</td>
<td>$1.9</td>
<td>$7.6</td>
</tr>
</tbody>
</table>

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