



Estes Park • Fort Collins • Longmont • Loveland

Regular Meeting Minutes of the Board of Directors

2000 E. Horsetooth Road, Fort Collins, CO

Thursday, December 5, 2019

ATTENDANCE

Board members

Representing Estes Park: Mayor Todd Jirsa and Reuben Bergsten¹

Representing Fort Collins: Mayor Wade Troxell and Ross Cunniff

Representing Longmont: Mayor Brian Bagley² and David Hornbacher

Representing Loveland: Mayor Jacki Marsh and Joe Bernosky

Platte River staff

Jason Frisbie (General Manager/CEO)

Sarah Leonard (General Counsel)

Dave Smalley (Chief Financial Officer and Deputy GM)

Andy Butcher (Chief Operating Officer)

Alyssa Clemens Roberts (Chief Strategy Officer)

Angela Walsh (Executive Assistant/Board Secretary)

Pat Connors (Vice President of Power Supply)

Shelley Nywall (Director of Finance)

Joel Danforth (Distributed Energy Resources Manager)

Libby Clark (Director of Human Resources and Safety)

Bryce Brady (Energy Solutions Business Team Supervisor)

Gary Whittenberg (Director of System Maintenance and Facilities)

Trista Fugate (Director of Community & Government Affairs)

Steve Roalstad (Communications and Marketing Manager)

Masood Ahmad (Resource Planning Manager)

Guests

Tim McCollough (City of Fort Collins)

Kevin Jones (Fort Collins Chamber of Commerce)

Marcia Martin (City of Longmont)

Ken Regelson (Boulder resident)

Jeremy Call (Logan Simpson)

Mike Levy

CALL TO ORDER

Chairman Jirsa called the meeting to order at 9:01 a.m. A quorum of board members was present and the meeting, having been duly convened, proceeded with the business on the agenda. Andy Butcher, chief operating officer, introduced Gary Whittenberg, director of system maintenance and facilities.

ACTION ITEMS

¹ Attended via Skype; dismissed self at 11:45

² Arrived at 9:04 a.m.

(1) Consent agenda

- a. Approval of the regular meeting minutes of Oct. 31, 2019**
- b. 2020 proposed board of directors regular meeting schedule: Resolution 10-19**

Director Troxell moved to approve the consent agenda as presented. Director Hornbacher seconded. The motion carried 7-0.

PUBLIC COMMENT

None.

COMMITTEE REPORTS

(2) Retirement committee report (presenter: Chair Bernosky)

Committee Chair Bernosky reported on the retirement committee meeting of Nov. 15. The committee selected a new investment advisor, Northern Trust Investments, and reviewed and approved a new investment policy statement. Northern Trust staff provided an update on the process of converting the plan's current investment portfolio to the revised portfolio.

The next committee meeting is scheduled for Feb. 27, 2020.

BOARD ACTION ITEMS

(3) 2019 budget contingency appropriation transfer – capital additions (presenter: Shelley Nywall)

Shelley Nywall, director of finance, reviewed the contingency transfer request of \$2.9 mil outlined within the memo and the process staff uses throughout the year. Ms. Nywall noted that updated information is supplied to the board within the general management report throughout the year.

Director Bagley moved to approve Resolution 11-19: 2019 budget contingency appropriation transfer – capital additions as presented. Director Bergsten seconded. The motion carried 8-0.

(4) 2020 strategic budget review and adoption (presenter: Shelley Nywall)

Ms. Nywall summarized the final recommended version of the 2020 strategic budget representing no changes since the October meeting. Staff recommends approval of the 2020 strategic budget as presented.

Director Bergsten asked what the process is to modify the 2020 budget. Ms. Nywall responded that the department managers manage their budgets for operating and maintenance expenses with flexibility to absorb changes into their budgets and if it causes expenses to be over and the overall budget cannot absorb it then it goes to a contingency transfer. Jason Frisbie, general manager and CEO, provided an example of using this process for an unplanned outage at Rawhide which could result in purchased power being over budget.

Director Troxell suggested for next year building the budget based on outcomes produced by the three pillars in relationship with the strategic initiatives. Dave Smalley, chief financial officer

and deputy general manager, confirmed that the process has been moving towards incorporating strategic initiatives and planning by each department reflects those outcomes. Discussion ensued among directors and staff regarding budgeting outcomes and showing progress throughout the year.

Director Bagley moved to approve Resolution 12-19: 2020 strategic budget as presented. Director Troxell seconded. Director Troxell commented on moving from departments to multiple outcomes. Mr. Frisbie mentioned the budget at a glance document is also included in the packet and thanked the staff for the document evolution of incorporating the strategic initiatives. The motion carried 8-0.

(5) DSM DER IGA (presenter: Alyssa Clemesen Roberts)

Alyssa Clemesen Roberts, chief strategy officer, summarized the DER strategy group and the changes made to the IGA. Staff recommended approval of the IGA as presented.

Director Hornbacher moved to approve Resolution 13-19: DSM DER IGA as presented. Director Bagley seconded. Director Cunniff thanked staff for their work on this process and working with city staff. Ms. Clemesen Roberts thanked Paul Davis and Bryce Brady for their continued efforts on the IGA and their DER committee involvement. Director Bagley thanked the staff for how the process was handled. The motion carried 8-0.

(6) Executive Session

Chair Jirsa explained the next item on the agenda that staff requested an executive session to receive attorney-client privileged legal advice specifically relating to matters related to the safety and security of Platte River property and personnel.

The general counsel advised that an executive session is authorized in this instance pursuant to Colorado Revised Statutes, provided that no formal action will be taken during the executive session.

Director Troxell moved that the board of directors go into executive session for the purpose of conferring with legal counsel to receive legal advice on specific legal questions pursuant to Section 24-6-402(4)(b) of the Colorado Revised Statutes. For the record, the discussion will cover matters related to the safety and security of Platte River property and personnel.

The general counsel has advised that an executive session is authorized in this instance pursuant to Colorado Revised Statutes, provided that no formal action will be taken during the executive session.

Director Bernosky seconded. Motion carried 8-0.

Break: 9:25-10:11

(7) Reconvene regular session

Chair Jirsa reconvened the regular session and no further discussion or action was taken.

MANAGEMENT PRESENTATIONS

(8) Solar RFP

(presenter: Masood Ahmad)

Masood Ahmad, resource planning manager, provided the preliminary results following the issuance of a request for proposals (RFP) for a new 50 to 150 MW purchased power agreement solar project. The RFP received proposals from 15 vendors and many of the vendors provided multiple proposals with a variety of options. Mr. Ahmad presented the top seven proposals added to the 3-D evaluation process – bid prices, buildability, and technical criteria – to the board. Director Marsh asked if they were considering the panels that absorb energy from both sides, and if they are hail resistant. Mr. Ahmad responded that the bids selected incorporated bi-facial panels and are impact resistant.

Director Troxell asked what the “power out” requirements for megawatts were requested in the RFP process and the larger utility scale location diversity risk mitigation evaluation. Mr. Ahmad responded that the request outlined 50-150 MW of capacity (300,000 MW hours) and all projects were priced for flat capacity. Discussion ensued among directors and staff on system demand management with diversity and how that evolves with more renewable resources.

Director Cunniff referred to the technical ratings and asked what factors went into the evaluating process. Mr. Butcher responded that when vendors provided the proposals, they don’t always provide the technology they will use and referred to the number of megawatts they said they could create and the details of how they are going to accomplish it. Joel Danforth, distributed energy resources manager, added that the energy model is the single biggest consideration to review. Discussion ensued among directors and staff regarding the energy model, interconnection options and the purchased power agreement details.

Director Troxell commented on staff considerations for building our own and operating the interconnection by investing in active management of the system to mitigate the risk of solar intermittency. Mr. Ahmad responded that staff is evaluating the options of building substations and having control and management of the equipment.

Mr. Ahmad provided the staff recommendations for terms and next steps.

Director Bagley asked why Weld County is being considered over the Laramie, WY projects. Mr. Ahmad responded that the pricing and buildability were unfavorable compared to the Weld County proposals.

(9) Energy imbalance market update

(presenter: Andy Butcher)

Mr. Butcher reviewed the history of negotiations through the Mountain West Transmission Group (MWTG), the demise of the MWTG and the discussions that have followed in joining an existing energy imbalance market as it compares to the current joint dispatch agreement. Director Troxell asked if managing the load included active management or if it’s in a market. Mr. Butcher responded active management is within a market.

Director Bagley confirmed his understanding of selling anything we need to sell and buying anything that we need through the market. Mr. Butcher responded that there are two charges, one to sell and one to buy. Mr. Frisbie offered a different perspective of when we buy in the market depending on what we bid to sell for means that the energy might not all sell. Discussion ensued among directors and staff regarding buying and selling in a market and how the current joint dispatch agreement works.

Director Bagley asked if getting involved in a full energy market (FEM) closer to 2030, does that change Rawhide's retirement and evaluation of which coal units to shut down first. Mr. Butcher responded that the western energy imbalance market (WEIM) controls 77% of the load in the western interconnect and the market does that through bidding numbers and companies look for the most efficient and cost-effective units in the market. Discussion ensued among directors and staff on WEIM infrastructure, market benefits, and transmission constraints.

Director Cunniff suggested that staff prepare FAQ's for the board members to have when the press release announcing joining a market is sent out.

(10) Legislative update

(presenter: Trista Fugate)

Trista Fugate, director of community & government affairs, outlined the strategic outreach meetings and engagement activities within the communities focusing on building and strengthening relationships and discussed the upcoming legislative session. Ms. Fugate highlighted the various meetings that took place with officials at the county and state levels, and Platte River's involvement with the Energy Legislation Review Interim Study Committee, noting that Mr. Frisbie presented at the first committee meeting on July 29, 2019. Out of this committee, a total of three recommended bills were passed onto the legislative council and approved in November. Ms. Fugate summarized the three bills.

Ms. Clemesen Roberts added that during a meeting with Senator Foote the previously mentioned interim study committee bills were discussed.

Discussion ensued among directors and staff regarding bills topics that may be introduced during the Second Regular Session of the Seventy-second General Assembly as a continuation of the utility industry-related bills adopted during the First Regular Session.

Ms. Fugate noted a recent trip to Washington, DC, to visit with congressional offices concerning the regional energy markets and clean energy legislation by Rep. DeGette. The discussions regarding the regional energy markets provided an opportunity to discuss the challenges with WAPA and TriState's announcement to join the Southwest Power Pool Western Energy Imbalance Service market. Discussions ensued among directors and staff regarding WAPA and TriState's decisions, connecting to the Western Energy Imbalance Market operated by the California ISO, and meeting with legislators during the GridWise Alliance GridConnex2019 event.

MANAGEMENT REPORTS

(11) DER strategy committee charter

(presenter: Alyssa Clemesen Roberts)

Ms. Clemesen Roberts outlined the distributed energy resources (DER) strategy committee led by co-chairs David Hornbacher of Longmont and Tim McCollough of Fort Collins and approved the committee charter. Ms. Clemesen Roberts also outlined the RFP posted requesting bids for a facilitator to bring forward the benefits and challenges with meeting our 2030 goal. Staff will return to future board meetings regarding the status of the committee.

Director Troxell asked how the group is following up on the questions outlined to date. Ms. Clemesen Roberts responded that there is a running list being added to as questions come up in discussions which will be used as a starting point when working with the facilitator. Ms. Clemesen Roberts noted that this committee will not set up the DER programs and that is the next phase

of the project. Director Troxell noted that this committee should be less technical and more innovative. Staff agreed.

MONTHLY INFORMATIONAL REPORTS

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

Sarah Leonard, general counsel, noted that there are no significant changes since the last report and offered to answer any questions the board may have. Director Troxell asked about the cell tower equipment status with various vendors. Ms. Leonard responded that the legal staff is working with the vendors to remove their equipment.

(13) October operating report (presenter: Andy Butcher)

Mr. Butcher highlighted the operating results for the month of October including valuable wind and solar and serving the load effectively. Director Troxell asked about high demand in the winter compared to the summer. Mr. Butcher noted that the demand was much higher than projected due to the quick changes in temperatures dropping. Director Troxell asked what the principle loads are for winter. Mr. Butcher responded that summer is always contributed to air conditioning but for winter months it can vary what contributes to higher demands.

(14) October financial report (presenter: Dave Smalley)

Mr. Smalley noted year end earning results look to be ten million above budget driven by expenses remaining below budget and revenues above budget for the year, and joint dispatch agreement purchases and sales remaining in our favor. Mr. Smalley offered to answer any questions or comments from the board.

(15) General management report (presenter: Jason Frisbie)

Mr. Frisbie provided a few highlights from the general management report including the HQ campus' solar panels on the roof are complete and a reminder to the board of the holiday party.

Roundtable and strategic discussion topics

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

ADJOURNMENT

With no further business, the meeting adjourned at 12:00 p.m. The next regular board meeting is scheduled for Thursday, February 27, at 9:00 a.m. at the 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 27 day of Feb.


Secretary

