



Estes Park • Fort Collins • Longmont • Loveland

Regular meeting minutes of the board of directors

2000 E. Horsetooth Road, Fort Collins, CO

Thursday, May 28, 2020

ATTENDANCE

Board members via MS Teams

Representing Estes Park: Mayor Wendy Koenig and Reuben Bergsten

Representing Fort Collins: Mayor Wade Troxell and Ross Cunniff

Representing Longmont: Mayor Brian Bagley and David Hornbacher

Representing Loveland: Mayor Jacki Marsh and Joe Bernosky

Platte River staff via MS Teams

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)

Wade Hancock (Financial Planning and Rates Manager)

Trista Fugate (Director of Community and Government Affairs)

Shelley Nywall (Director of Finance)

Heather Banks (Fuels and Water Manager)

Julie Depperman (Director of Treasury Services)

Libby Clark (Director of Human Resources and Safety)

Guests

Tim McCollough (City of Fort Collins)

Theresa Connor (City of Fort Collins)

Public call in line – guests unknown

CALL TO ORDER

Chair Troxell called the meeting to order at 9:01 a.m. A quorum of board members was present via MS Teams. The meeting, having been duly convened, proceeded with the business on the agenda.

Chair Troxell announced that the Platte River staff decided to keep the board, staff and public safe by hosting a virtual meeting, and a call line had been opened for the public to call in on and listen to the meeting. He stated that all presentations had been postponed until in-person meetings could resume, and staff invited the public to send in public comments via email to the board secretary to be dispersed to the board in lieu of in-person comments.

Director Hornbacher made a motion to revise the agenda to include an executive session to discuss agenda item 5; Debt financing plan, for the purposes of conferring with staff about negotiation strategies for a current matter and, as appropriate, instructing negotiators. Director Bergsten seconded. The motion carried 8-0 via roll call vote.

ACTION ITEMS

(1) Consent agenda

a. Approval of the regular meeting minutes of Apr. 28, 2020

Director Bergsten moved to approve the consent agenda as presented. Director Koenig seconded. The motion carried 8-0 via roll call vote.

PUBLIC COMMENT

No comments were submitted prior to the start of the meeting.

BOARD ACTION ITEMS

(2) Revision to wholesale transmission service (Tariff WT-21)

(presenter: Wade Hancock)

Wade Hancock, financial planning and rates manager, referenced the materials within the board packet starting on page 17 and noted that Tariff WT-21 sets the terms and conditions for unbundled transmission services to entities other than Platte River's owner communities.

Mr. Hancock added the board reviews the wholesale transmission service tariff on an annual basis within the 2nd quarter after the audited year-end financial results are available to ensure rates reflect recent costs for operation and transmission usage. Approval of Resolution 07-20 will go into effect June 1, 2020.

Chair Troxell commented on reactive power and voltage control being more explicitly outlined within the new rate structure.

Director Bernosky moved to approve Resolution 07-20: revision to wholesale transmission service (Tariff WT-21) as presented. Director Bergsten seconded. Director Bergsten thanked staff for transparency of the rates. The motion carried 8-0 via roll call vote.

MANAGEMENT REPORTS

(3) Statewide carbon reduction goal

(presenter: Trista Fugate)

Trista Fugate, director of community and government affairs, discussed the statewide goals for carbon reduction that requires electric utilities to submit a Clean Energy Plan (CEP) to the state as outlined in the board packet starting on page 27. Ms. Fugate noted that Platte River will have to file a CEP with 80% greenhouse gas reductions by 2030 or Platte River will be subject to additional regulation and fees associated with greenhouse gas emissions through 2030 that may be implemented by the air quality control commission (AQCC). The format for the CEP was undetermined as of the May board meeting.

Alyssa Clemens Roberts, chief strategy officer, highlighted the number of moving parts as they relate to energy legislation, energy regulation and environmental regulation and how they relate to Platte River Power Authority. Ms. Clemens Roberts summarized the actions taken by Platte River and the board by approving the Resource Diversification Policy and working through the process to develop the Integrated Resource Plan (IRP). She noted the current global pandemic has slowed the IRP process, however, Platte River plans are in line with the state's actions on

proposed statewide carbon reduction goals. Ms. Clemesen Roberts and the senior leadership team recommends and requests that the board support moving forward with submitting a CEP to the state.

Director Hornbacher supported the recommendation of being proactive when working with the state by submitting a CEP.

Director Cunniff also supported moving forward with submitting a CEP and supports Platte River being a leader within the state.

Director Bernosky requested clarification about what the confirmed submittal requirements/commitments by Platte River will be and asked what the downside to not submitting a plan. Ms. Clemesen Roberts responded that if Platte River did not submit a CEP Platte River will be required to go to the AQCC and participate through a separate regulatory process, noting that by submitting a CEP Platte River would be exempt from this next step process that could potentially result in more stringent requirements and fees. Ms. Clemesen Roberts added that Platte River is not regulated by the Public Utilities Commission (PUC) in Colorado and submitting a CEP does not expand PUC control over Platte River. We would simply submit the CEP to comply with the state mandates and reduce risks of further regulations and expenses.

Director Marsh supported submitting a CEP and asked that we strive for 90% by 2030 and asked what percentage of clean energy Platte River will have with the Roundhouse wind project online. Jason Frisbie, general manager and CEO, responded the addition of both the Roundhouse project and the Rawhide Prairie Solar project will put Platte River just over 50% noncarbon energy generation delivered to the owner communities. Director Marsh noted receiving public comments on the National Renewable Energy Lab and asked if Platte River staff has evaluated their cost structure and also asked if projects includes the costs for transmission and related construction costs. Andy Butcher, chief operating officer, responded that the IRP includes total costs for wind and solar projects including transmission and interconnection costs under a 20-year purchased power agreement. Director Marsh requested a report showing the costs increasing over the 30 years for wind and solar versus the renewable energy lab explanation of costs.

Director Bergsten will follow recommendations by the Platte River staff and as a board member noted an element of risk within the energy industry that no one can predict costs. He is concerned with making long-term commitments without understanding unanticipated consequences – that Platte River cannot eliminate options when making commitments. Director Troxell asked Ms. Clemesen Roberts if the CEP will to limit flexible plan changes if a plan is submitted. Ms. Clemesen Roberts noted the CEP rules are uncertain, but she believes it can be a flexible plan and requirements of meeting greenhouse gas emission reductions must be met. Staff will return to the July board meeting with more information regarding the CEP.

Director Koenig confirmed her understanding of reaching the 80% carbon reduction goal does not limit going further. Staff confirmed it would be at least 80%.

Director Bagley expressed concerns about setting policy as a board being different than a city council and the possibilities of Platte River achieving the goals, echoing voices of caution from other board members by adjusting goals back and forth. Director Bagley continued by supporting recommendations from Platte River staff on what the board should do. Ms. Clemesen Roberts responded there is less risk for Platte River to submit a CEP and will provide more

details at the July board meeting.

Mr. Frisbie responded directly to Director Bagley's questions regarding the 80% reduction from the 2005 carbon emissions numbers and mentioned that this includes the three coal units on the system with anticipated closure dates prior to 2030. Mr. Frisbie continued by stating the Resource Diversification Policy was a blueprint to maintain the three pillars and to recognize the goal of 100% by 2030 with caveats beyond our control as a good start to the IRP.

Director Bergsten commented on external focus on one of the three pillars, not all pillars, while eliminating options to take advantage of the other two pillars and requested keeping all options in mind for moving forward before making future decisions that are irreversible.

Further discussion ensued among directors and staff regarding submitting a CEP and future flexibility in choosing resources compatible with moving toward a market.

Staff will return to the board at the July meeting on recommendations to move forward with submitting a CEP.

**(4) Financial update – COVID-19 stress test, rate projections and 2021 budget
(presenter: Dave Smalley)**

Dave Smalley, chief financial officer, provided information provided within the memo on page 33 of the board packet and the long-term rate projections and effects from COVID-19. Mr. Smalley noted this is the time of year staff would communicate the planned rate increase for the following year, as well as long term rate smoothing trajectory, but due to the COVID-19 impacts resulting in significant revenue uncertainty due to lower municipal load requirements and surplus sales pricing staff will need more time to determine 2021 impacts. Mr. Smalley noted several interim steps staff is taking to evaluate and refine the 2021 projections and will provide a recommendation at the August board meeting.

Director Bernosky commented on experiencing the same uncertainties at the city level and requested any preliminary results to city staff just to give an idea for planning purposes. Mr. Smalley confirmed he would share information with all owner community rates staff.

Director Hornbacher thanked the staff for providing information and supporting the Longmont staff navigating through the processes.

(5) Debt financing plan revised to Executive Session

Mr. Smalley referenced the memo and whitepaper in the board packet starting on page 37 and noted the revised agenda to include moving into executive session to discuss the debt financing plan.

Chair Troxell noted that per the agenda modification requested at the start of the meeting staff has requested the board of directors go into executive session for the purposes of conferring with staff about negotiation strategies for a current matter and, as appropriate, instructing negotiators.

Director Hornbacher moved that the Board of Directors go into executive session for the purposes of conferring with staff about negotiation strategies for a current matter and, as

appropriate, instructing negotiators. Director Bergsten seconded. The motion carried 8-0 via roll call vote.

The General Counsel has advised that an executive session is authorized in this instance pursuant to Colorado Revised Statutes, Section 24-6-402, subsection 4(e)(I); provided that no formal action will be taken during the executive session.

Reconvene regular session

Chair Troxell reconvened the regular session and asked if there was any further discussion or action from the executive session. No members had further discussion and no actions were taken.

(6) Platte River's return to work planning (presenter: Libby Clark)

Libby Clark, director of human resources and safety, provided highlights outlined within the board packet information, starting on page 49, of Platte River's planning efforts for returning staff back to the office and other facilities who have been working remotely since March 13.

Director Cunniff asked about the need for temperature checks given the uncertainty of fever being a consistent symptom. Ms. Clark responded that the guidance continuously changes as far as symptoms of COVID-19 and updated guidance will be taken into consideration when the time comes to bring people back into the facilities. Ms. Clemens Roberts added that she participates on a weekly call with CDPHE, the CDC and the Governor's office and will ask that question again and follow up.

MONTHLY INFORMATIONAL REPORTS (were for informational purposes only)

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

No questions received from the board.

(8) April operating report (presenter: Andy Butcher)

No questions received from the board.

(9) April financial report (presenter: Dave Smalley)

No questions received from the board.

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

No questions received from the board.

Roundtable and strategic discussion topics

Board members shared the latest news from the owner communities.

ADJOURNMENT

With no further business, the meeting adjourned at 11:36 a.m. The next regular board meeting

Regular board meeting minutes: May 28, 2020

is scheduled for Thursday, July 30, 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 30 day of July, 2020.

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Secretary

