

Regular meeting minutes of the board of directors

2000 E. Horsetooth Road, Fort Collins, CO
Thursday, March 31, 2022

Attendance

Board members

Representing Estes Park: Mayor Wendy Koenig and Reuben Bergsten
Representing Fort Collins: Mayor Arndt and Julie Pignataro
Representing Longmont: Mayor Joan Peck¹ and David Hornbacher
Representing Loveland: Mayor Jacki Marsh and Kevin Gertig

Platte River staff

Jason Frisbie (general manager/CEO)
Sarah Leonard (general counsel)
Dave Smalley (chief financial officer and deputy general manager)
Melie Vincent (chief operating officer)
Raj Singam Setti (chief transition and integration officer)
Angela Walsh (executive assistant/board secretary)
Kaitlyn McCarty (executive assistant – finance and IT)
Mitch Tomaier (IT service desk technician II)
Pat Connors (director of power markets)

Guests

Kendall Minor (City of Fort Collins Utilities)

Call to order

Chair Bergsten called the meeting to order at 9:00 a.m. A quorum of board members was present via roll call. The meeting, having been duly convened, proceeded with the business on the agenda. Chair Bergsten announced that the Platte River staff will continue to hold a hybrid meeting having the public attend via Zoom Webinar until further notice.

Jason Frisbie, general manager and CEO, introduced and welcomed Raj Singam Setti, the new chief transition and integration officer, to Platte River. Mr. Singam Setti thanked the board for the opportunity to work at Platte River and gave a brief overview of his background and industry experience.

¹ Arrived at 9:03 a.m.

Action items

1. Consent agenda

- a. Approval of the regular meeting minutes of Feb. 24, 2022

Director Pignataro moved to approve the consent agenda as presented. Director Gertig seconded. The motion carried 8-0.

Public comment

Chair Bergsten opened the public comment section by reading instructions, noting that time to accommodate each speaker would be divided equitably by the number of callers wishing to speak at the start of public comment. No members of the public asked to address the board.

Committee reports

2. Retirement committee report

Committee Chair Dave Hornbacher summarized the meeting held on Feb. 24, 2022. During the meeting, the committee appointed Dave Hornbacher as committee chair. The plan's investment consultant, Northern Trust, reported on the plan's performance for 2021 and provided an educational session on private equity and private credit. During the meeting, the committee approved the revised investment policy statement, which includes allocations to private equity and private credit. Committee Chair Hornbacher noted that the report was for informational purposes only and no board action was requested. The next committee meeting is scheduled for May 26, 2022.

Directors complimented staff and the retirement committee for the performance of the plan and the strategy practiced within the committee and Northern Trust.

Board action items

3. Executive session

Chair Bergsten noted the next item on the agenda is the annual performance review of the general manager. Board members received the review materials and compensation information pertinent to the position. Director Pignataro moved that the board of directors go into executive session for the purpose of considering the personnel matter related to the annual review of the performance and compensation of the general manager.

The general counsel advised that an executive session was authorized in this instance by Colorado Revised Statutes, Section 24-6-402(4)(f)(I); provided that no formal action would be taken during the executive session.

Director Hornbacher seconded, and the motion carried 8-0.

Reconvene regular session

The chair reconvened the regular session and asked if there was further discussion or action as a result of the executive session. Director Koenig moved to change Mr. Frisbie's compensation to 1.2 of the pay range midpoint, paid retroactively from Jan. 1, 2022, along with a one-time cash bonus of \$15,000. Director Pignataro seconded. Directors thanked and complimented Mr. Frisbie for a successful year and the services Platte River provides. The motion carried 8-0.

Director Marsh requested a presentation from staff on alternate forms of storage.

Management presentations

4. Power market update (presenter: Melie Vincent)

Melie Vincent, chief operating officer, presented an overview of an organized market, why Platte River is joining a market, the options with real-time and day-ahead markets and how the Southwest Power Pool (SPP) Western Energy Imbalance Service market and SPP Regional Transmission Organization West will help Platte River meet the criteria set forth within the Resource Diversification Policy (RDP).

Sarah Leonard, general counsel, asked Ms. Vincent to explain ancillary services. Ms. Vincent explained ancillary services are essential to supporting the reliability and performance of the grid and balancing the load. Chair Bergsten asked if ancillary services were expensive. Ms. Vincent responded that they can be depending on market prices. Director Arndt asked how for-profit companies operate in a market. Ms. Vincent noted that it is all cost based with mitigated offers and market monitors ensuring that everyone is playing by the same rules. Chair Bergsten asked if costs account for depreciation of assets. Mr. Singam Setti responded that the costs are variable costs related to everything made available to the market, but fixed costs are not included in the energy market costs. Ms. Vincent noted that some fixed costs are added within the three-part offer protocol.

5. Solar RFP response summary (presenter: Pat Connors)

Pat Connors, director of power markets, provided an overview of resource capacity in megawatts (MW) needed to meet the RDP, outlined the request for proposal responses for up to 100-125 MW of solar and energy storage and the next steps to selecting one or more preferred projects to move forward.

Mr. Frisbie added that staff planned to provide an April presentation on storage options and the usage results for the 2 MWh battery installed with the 22 MW Rawhide Prairie Solar project at the Rawhide Energy Station and how Platte River has used it.

The board had no comments or questions.

6. Board work session follow up (presenter: Jason Frisbie and Sarah Leonard)

Mr. Frisbie reviewed the board work session and next steps in the 2022 Strategic Plan process.

Ms. Leonard shared the roles and responsibilities of board members, Platte River staff and leadership and working with the four owner communities to accomplish the goals of the RDP. She also outlined the potential strategic goals for coordination and collaboration in the short-, mid- and long-term for Platte River.

Mr. Frisbie covered next steps for board and community input before finalizing the 2022 Strategic Plan and discussed the proposed parallel action plan for Platte River, working with the four owner communities, to determine how to best accomplish system-wide benefits.

Director Marsh commented on Platte River maximizing the benefits of federal and state grants to accomplish the decarbonizing goals. Director Pignataro asked when Platte River staff would be ready to present at the city council. Mr. Frisbie commented on meeting with the city managers and utility directors before presenting details. Director Koenig requested the “no-regrets” lists to be posted publicly so that groups and contractors can see what Platte River is planning with the owner communities. Mr. Frisbie committed to sharing the list with all communities. Director Gertig asked to see system integration metrics in future board packets to show overall progress on achieving objectives for Platte River and the four owner communities.

Monthly informational reports

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

Ms. Leonard highlighted the WestConnect filing settlement in the legal report. There were no questions from the board.

8. February operating report (presenter: Melie Vincent)

Ms. Vincent discussed the new category, net variable cost, added to the results slide showing the variable cost per megawatt hour of owner community load served that will be monitored once Platte River enters the market. She mentioned the February results reflect solar generation that was higher than expected and pre-purchasing natural gas for the combustion turbines (CTs) for testing. Mr. Frisbie added that the CTs will be essential for following the intermittency of the noncarbon resources. Platte River staff has been testing them ahead of entering the organized market to ensure they will perform as needed. There were no questions from the board.

9. February financial report (presenter: Dave Smalley)

Mr. Smalley highlighted the favorable February financial results, pointing out revenues being above budget due to sales and under budget on operation expenses. Net income was favorable even though it was negatively impacted by unrealized losses due to rising interest rates. There were no questions from the board.

10. General management report (presenter: Jason Frisbie)

Mr. Frisbie highlighted the Rawhide unit 1 screen outage outcome on page 78 resulting in a decrease in auxiliary load (what is required to run the plant) and reminded the board to respond to the board secretary regarding the APPA National Conference in June. There were no questions from the board.

Roundtable and strategic discussion topics

Director Peck mentioned receiving a request for staff to post board meeting audio or video to the website. Director Hornbacher mentioned the approved minutes are always added to the website. Chair Bergsten noted that the board has discussed this topic in the past and no changes were made. Mr. Frisbie suggested adding a discussion topic to the April agenda to provide additional information and time for discussion. Director Pignataro asked if the board could know what information the requester does not receive from the meeting minutes.

Director Pignataro announced her resignation from the Platte River board. A resolution to replace the vice chair will be brought forward to the April board meeting. All directors and staff thanked Director Pignataro for her commitment and work on the board.

Adjournment

With no further business, the meeting adjourned at 12:15 p.m. The next regular board meeting is scheduled for Thursday, April 28, 2022 at 9:00 a.m. either virtually or at 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 28 day of April, 2022.


Secretary