

## Regular meeting minutes of the board of directors

2000 E. Horsetooth Road, Fort Collins, CO  
Thursday, July 28, 2022

### Attendance

#### Board members

Representing Estes Park: Mayor Wendy Koenig<sup>1</sup> and Reuben Bergsten  
Representing Fort Collins: Mayor Arndt<sup>2</sup> and Kendall Minor<sup>3</sup>  
Representing Longmont: Mayor Joan Peck 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)  
Eddie Gutiérrez (chief strategy officer)  
Angela Walsh (executive assistant/board secretary)  
Kaitlyn McCarty (executive assistant – finance and IT)  
Mitch Tomaier (IT systems administrator)  
Josh Pinsky (IT service desk technician II)  
Shelley Nywall (director of finance)  
Heather Banks (fuels and water manager)  
Wade Hancock (financial planning and rates manager)

#### Guests

None

### Call to order

Chair Bergsten called the meeting to order at 9:01 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 board meetings are now open for the public to attend in person but staff will continue to offer a hybrid meeting option for those who wish to attend via Zoom Webinar. Angela Walsh, board secretary, introduced Josh Pinsky, IT service desk technician, who will be assisting with the board meetings.

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<sup>1</sup> Attended online

<sup>2</sup> Attended online

<sup>3</sup> Arrived at 9:23

## Action items

### 1. Consent agenda

- a. Approval of the regular meeting minutes of May 26, 2022

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

## 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 May 26, 2022.

The actuary from Willis Towers Watson provided a review of the plan's actuarial valuation report, which contains the required funding contribution for 2023. The actuary explained that the IRS imposes limits on benefits paid from qualified retirement plans and suggested a plan amendment to clarify that benefits subject to the IRS limit will be adjusted annually as the IRS limit is indexed. The committee agreed that the clarification is needed in the plan and the actuary will bring the plan amendment to the August committee meeting for approval. If approved, the board will be asked to approve the amendment in September. Towers Watson also presented an option available to government entities allowing for payment of benefits above the IRS benefit limit.

The plan's investment consultant, Northern Trust, reported on the plan's performance for the March 2022 quarter.

Committee Chair Hornbacher noted that the committee conducted its annual review of the investment consultant, evaluating Northern Trust's performance based on criteria included in the scope of services for the agreement between Northern Trust and Platte River. The committee agreed the consultant is meeting expectations.

The next retirement committee meeting is scheduled for Aug. 25, 2022.

### 3. Retirement subcommittee action

Committee Chair Hornbacher explained that in March 2020 a subcommittee was formed consisting of the Committee Chair (currently Mr. Hornbacher), Jason Frisbie as the plan

administrator and Dave Smalley, chief financial officer, to monitor the impact on plan assets from the downturn in the financial markets to determine if temporary suspension of the lump sum option would be necessary. The subcommittee has the power by unanimous resolution to amend the defined benefit plan, which includes suspending and reinstating the plan participants' option to receive lump sum distributions at retirement.

On June 16, 2022, the subcommittee met and by unanimous resolution suspended the lump sum distribution option prospectively. The subcommittee will continue to monitor plan assets and the markets to determine when to reinstate the lump sum option. No board action was requested.

## **Board action items**

### **4. Executive session**

Chair Bergsten noted the next item on the agenda was to discuss a matter that may be subject to negotiations on the proposed water rights exchange between Platte River and the City of Greeley. Director Gertig moved that the board of directors go into executive session for the purpose of discussing confidential elements of the proposed water rights exchange between Platte River and the City of Greeley.

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

Director Hornbacher seconded, and the motion carried 7-0.

### **Reconvene regular session**

The chair reconvened the regular session and asked for roll call. The next item on the agenda followed discussion during the executive session.

### **5. Water rights exchange approval (presenter: Heather Banks)**

Heather Banks, fuels and water manager, summarized the information provided to the board during the April and May board meetings regarding the proposed water rights exchange. The board had no questions.

Director Hornbacher moved to approve the water rights exchange with the City of Greeley as presented. Director Koenig seconded, and the motion carried 8-0.

Jason Frisbie, general manager and CEO, noted that if any substantial terms change in the agreement, staff will update the board.

## Management presentations

### 6. Rates forecast update (presenter: Dave Smalley)

Dave Smalley, chief financial officer and deputy general manager, presented a follow up overview of the long-term rate pressure, rate increase and recommendations previously presented during the May board meeting and staff meetings with the individual cities' staff. Although Mr. Smalley presented a staff recommendation, he requested no formal action from the board.

Chair Bergsten asked how staff projects a zero percent rate increase post 2030. Mr. Smalley explained that inflation is considered for wages and O&M expenses, but a significant number of our generation resources will be in fixed priced contracts that do not escalate. He added that built into the forecasts are assumptions on beneficial electrification increasing loads, which helps keep rate pressure down. Staff continuously revises projections with the latest information to make forecasting as accurate as possible.

Mr. Frisbie remarked that beneficial electrification adds to Platte River's energy load requirements but does not increase demand. Chair Bergsten noted the complication of forecasting the unknowns 10 years out and that the success of the integration and transition division will impact the loads moving forward. Mr. Frisbie commented on forecasts being a snapshot in time with information and projections constantly changing, so the resource planning team reevaluates modeling on a monthly basis. The various unknowns such as long-duration storage and gas prices will change the assumptions in future forecasts.

Mr. Smalley provided an overview of how rates have changed since last fall, including the impacts from the resource plan update (RP22). Mr. Frisbie noted the rate mitigation effect of maximizing low-cost renewable projects like Roundhouse Wind to help reduce average costs given that previous renewable energy projects had higher costs.

Director Hornbacher observed the difference of the 2020 Integrated Resource Plan (IRP) to the current RP22 and how different it could look for the 2024 IRP. Mr. Frisbie highlighted the work by the transition and integration division to further reduce carbon and maintain reliability while keeping costs down. Raj Singam Setti, chief transition and integration officer, noted that future technology will help decrease the need for dispatchable gas, further reducing carbon emissions while maintaining reliability. Director Marsh asked for a comparison of costs to other communities in Colorado. Discussion ensued among directors and staff regarding reliability concerns and options for maintaining reliability as the generation portfolio continues to evolve.

Director Koenig asked for staff to explain why residential solar challenges the utilities' costs and reliability. Mr. Singam Setti responded that he would cover that issue in greater detail in the next presentation but said Platte River and the distribution utilities need to plan properly to manage the additional resources with storage to maintain reliability and use meter information to accurately track load behavior. Mr. Frisbie noted a misperception of what services Platte River provides and a collaborative process for communication strategies with the owner communities to align efforts to further reduce carbon and manage costs. Director Minor commented on

working with each owner community to tailor the message for each of their customers. Eddie Gutiérrez, chief strategy officer, commented on collaborating on how we communicate the complex, granular details in transitioning our portfolio while providing educational opportunities in the region.

Mr. Smalley described the revenue deferral accounting policy and other possible actions to reduce rate pressure. Director Peck commented on the importance of communication within the owner communities and asked about community growth and interest in residential solar. Mr. Smalley noted that rates would be higher if Platte River sells fewer megawatt hours to the owner communities. He explained that adding more residential solar increases the need for additional dispatchable resources to stabilize the system, causing more rate pressure. Mr. Singam Setti commented that residential solar load remains on the system, because whenever solar panels do not generate the utility system must still serve the full household load. Staff anticipates about 90 MWs of distributed generation throughout the owner communities by 2030.

Mr. Frisbie described how California and Hawaii have struggled with residential solar and the need for dispatchable energy and how to compensate for the intermittent energy while maintaining a stable system. Director Marsh noted that utilities do not charge enough for basic costs for residential solar. Mr. Frisbie observed that residents without solar subsidize the residential solar for others; costs are not spread out equitably. Director Arndt commented on the difficulty mayors experience in communicating the counter intuitive thought processes in generation planning with residential solar. Director Gertig commented on data supporting the rate increases for Platte River and owner community staff working on managing the other rate pressures separate from Platte River's rate increase. He said he fully supports a unified voice and messaging to support rate increases necessary to accomplish the 2030 goals.

Mr. Smalley added that the board will receive the official wholesale rate recommendations for 2023 at the August board meeting.

Director Marsh commented on average consumption in homes in kilowatts used for each degree of temperature increase and the effect on rates. Mr. Frisbie said every degree increase in temperature equals 10 more megawatts of load to serve for Platte River. Director Peck stressed the importance of advanced metering infrastructure to control the use of energy in each house. Discussion ensued among directors and staff on what resources and tools are needed for the future management of the system as a whole.

**Five-minute break at 11:14 a.m.**

## **7. Foundational DER implementation (presenter: Raj Singam Setti)**

Mr. Singam Setti presented the plan for building a strong foundation to implement distributed energy resources (DER) and integration of infrastructure to help build a virtual power plant.

Chair Bergsten commented on the time it takes to build a physical power plant and the virtual power plant will also take time to build. Director Minor encouraged communicating out into the community with education on how all customers can help Platte River and the owner communities reach the 2030 goal together. Mr. Singam Setti reiterated the importance of

communication and planning together to make the virtual power plant an integrated asset. Director Hornbacher noted the success of Platte River is the success of each community and the link between the two is DER.

#### **8. Market selection (presenter: Melie Vincent)**

Melie Vincent, chief operating officer, presented the narrowed-down list of market options under consideration for Platte River.

Director Minor asked if Platte River is required to have a certain amount of spinning reserves available at all times while in a market. Ms. Vincent responded that the market optimizes the ancillary services needed for the stability of the grid with the least expensive options. Mr. Singam Setti added that the whole Southwest Power Pool market is required to carry the spinning reserves and all participants share the costs. Participants benefit by not carrying a specific quantity of spinning reserves because the reserves are determined and carried on a system-wide basis. Discussion ensued among directors and staff on spinning reserves, the capabilities of utilities to provide spinning reserves and other factors the market evaluates for costs of spinning reserves.

Chair Bergsten asked how long it will take to establish certainty moving into the market and how each owner community can maximize the benefits of a market. Ms. Vincent noted the advantages of already having the tariff and “rules of the road” and referred to FERC order 2222, which specifically outlines what is required for DERs and how they participate in an organized market. Mr. Singam Setti added there is a second FERC order, 841, that addresses energy storage participation in organized markets. Discussion ensued among directors and staff on operating within the market, future presentations on risk management and designing a system to function the way that is needed to be successful in a market.

### **Management Reports**

#### **9. Distributed Energy Resources update (presenter: Raj Singam Setti)**

Due to time limitations, Mr. Frisbie summarized the update, noting staff will provide a presentation at the August board meeting.

#### **10. PURPA update – information only (presenter: Sarah Leonard)**

Sarah Leonard, general counsel, provided an overview of the recent change to Public Utility Regulatory Policies Act Title 1 regarding retail entities and discussed how it will affect Loveland, Longmont and Fort Collins and recommended the board members touch base with their internal legal counsel.

## Monthly informational reports

### 11. Q2 performance dashboard (presenter: Jason Frisbie)

Mr. Frisbie provided highlights from the Q2 performance dashboard.

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

Ms. Leonard highlighted the U.S. Supreme Court case *West Virginia vs. the Environmental Protection Agency*. The court ruled that the Environmental Protection Agency does not have Congressional authority to limit emissions at existing power plants through generation shifting to cleaner sources (“beyond the fence line”). Ms. Leonard confirmed that this decision will not change Platte River’s commitment to carbon reduction. She also mentioned that Platte River recently submitted its verified Clean Energy Plan to the Colorado Public Utilities Commission.

### 13. May/June transition and integration report (presenter: Raj Singam Setti)

Due to time limitations, Mr. Frisbie summarized the report. There were no questions from the board.

### 14. May/June operating report (presenter: Melie Vincent)

Due to time limitations, Mr. Frisbie summarized the operating report. There were no questions from the board.

### 15. May/June financial report (presenter: Dave Smalley)

Due to time limitations, Mr. Frisbie summarized the financial report and previewed the strong July results. Chair Bergsten complimented the operational staff who maintain the systems to serve load efficiently. There were no questions from the board.

### 16. General management report (presenter: Jason Frisbie)

Mr. Frisbie highlighted the Estes Park transmission line rebuild (which begins Monday, Aug. 1), the employee picnic invitation for the board, and the American Public Power Association National Conference participation. He also thanked Mitch Tomaier, IT systems administrator, for his commitment to the board throughout the pandemic to keep board meetings going successfully online and in person. There were no questions from the board.

## Roundtable and strategic discussion topics

## Adjournment

With no further business, the meeting adjourned at 12:39 p.m. The next regular board meeting is scheduled for Thursday, Aug. 25, 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 25 day of August, 2022.

  
Secretary

