

## Regular meeting minutes of the board of directors

2000 E. Horsetooth Road, Fort Collins, CO  
Thursday, Aug. 25, 2022

### Attendance

#### Board members

Representing Estes Park: Mayor Wendy Koenig and Reuben Bergsten  
Representing Fort Collins: Mayor Arndt and Kendall Minor  
Representing Longmont: Mayor Joan Peck  
Representing Loveland: Mayor Jacki Marsh and Kevin Gertig

#### Absent

David Hornbacher

#### 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)  
Wade Hancock (financial planning and rates manager)  
Paul Davis (distributed energy resources manager)  
Libby Clark (director of human services and safety)

#### 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. Jason Frisbie, general manager/CEO, offered condolences to Director Hornbacher for the loss of a family member and discussed the handouts provided on the table for the directors. Eddie Gutiérrez, chief strategy officer,

elaborated on the handouts providing information on the recently passed Inflation Reduction Act (IRA). Director Arndt commented on hearing Mr. Frisbie on the radio with audio from the rates presentation during a recent Loveland City Council meeting. Chair Bergsten congratulated Mr. Frisbie on becoming a grandfather.

## Action items

### 1. Consent agenda

- a. Approval of the regular meeting minutes of July 28, 2022

Director Koenig 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.

Chair Bergsten reminded the retirement committee members of the August meeting to follow the board meeting.

## Management presentations

### 2. Wholesale rate projections and 2023 rate tariff charges (presenter: Wade Hancock)

Wade Hancock, financial planning and rates manager, presented the 2023 recommendations, rate structure overview, 2023 firm power service charges, owner community impacts and the 2023 rate tariff schedules.

Mr. Frisbie added Platte River will continue to manage the risks associated with intermittent energy and use the same philosophy with rates as we transition to a more diverse portfolio.

Mr. Frisbie referenced page 58 of the board packet; the operations report shows monthly information on coincident demand vs. noncoincident demand demonstrating the needed infrastructure to serve the highest consumption and generation to serve the highest collective demand. Mr. Hancock commented on the difference between front range utilities coincident and noncoincident peak times compared to Estes Park being a winter peaking utility.

Discussion ensued among directors and staff regarding load factors in each owner community, efficiencies in the system infrastructure and how they relate to rates.

Dave Smalley, chief financial officer and deputy general manager, stated due to higher

intermittent energy generation this year, the owner municipalities are over budget in energy costs. Platte River staff will therefore blend the intermittent and dispatchable rates for 2022 and true up the costs with the owner municipalities at year end. Mr. Frisbie repeated that the true up will happen at the end of the year to see if intermittent production reconciles before providing credits to the owner municipalities.

Director Minor commented on rate staffs reviewing the rate calculation discrepancies. Mr. Hancock responded that staff is still reviewing and working with Fort Collins financial staff on calculations. Mr. Frisbie described the difference between calculation viewpoints and how the intermittent energy increased production in 2022 compared to an underproduction year in 2021 resulting in 7.2% higher budget variance in 2022. Discussion continued among directors and staff regarding the budget variances in intermittent energy from 2021 to 2022, how that has impacted the owner communities' 2022 budget and staff recommendation to blend the charges back together to shift cost risk of intermittent energy production back to Platte River in 2023.

Chair Bergsten commented on Platte River providing greater rate stability and asked how new risks could change the strategic financial plan. Mr. Frisbie responded that staff members have been reviewing how the strategic financial plan will need to change as the generation portfolio continues to develop and work in conjunction with the 2024 strategic budget. Sarah Leonard, general counsel, commented on long-term effects from the Inflation Reduction Act and the possibilities of owning intermittent generation projects. Director Marsh asked if Platte River knows how kilowatt usage increases from population growth, compared to how it is affected by the number of days over 90 degrees in the owner communities. Raj Singam Setti, chief transition and integration officer, described the modeling used for forecasting; he has asked consultants for expected growth in areas of electrification. Discussion ensued among directors and staff regarding modeling variables and inputs that have changed over the past 20 years, how beneficial electrification will add more variables to the equation and how advanced metering infrastructure (AMI) will help Platte River serve the owner communities in the future.

### **3. Power markets – present and future (presenter: Melie Vincent)**

Melie Vincent, chief operating officer, presented the market constructs, responsibilities and functions, tools and resources required for Platte River to consider as we move into an organized market.

Chair Bergsten asked if Platte River has already committed to the Southwest Power Pool Regional Transmission Operator West (SPP RTOW) market. Ms. Vincent responded that Platte River has expressed its intent to financially commit to the development process but none of the utilities have signed the commitment document that is due in the spring of 2023.

Director Minor asked how renewable generation transactions will be tracked in SPP RTOW. Ms. Vincent responded that staff is still working through day-to-day and hour-by-hour tracking and added that a benefit of being in an RTO is the integration and access to new renewable generation resources to take energy from. Director Minor asked if Platte River will know what or how much renewable generation is being produced. Ms. Vincent confirmed that Platte River will know holistically the amount on the system but not hour-by-hour due to market manipulation regulations. Mr. Frisbie added that Platte River will continue to know what our resources are

producing, just not the entire market. Ms. Leonard clarified market transactions does not move the renewable energy credits to the buyers. Mr. Frisbie commented on opportunities for the most efficient plants to replace generation from less efficient plants.

Chair Bergsten thanked Ms. Vincent for the presentation and reflected how the board did not know in 2018 the significance of going into the market when approving the Resource Diversification Policy. Director Minor reiterated the dynamics of joining a market and the importance of communicating the value of operating in a market to the public. Mr. Frisbie compared efforts toward market participation to the transition for the communities to integrate distributed energy resources (DER). Ms. Vincent mentioned having regular meetings with finance and operations evaluating daily reconciliation and looking for ways to do it better.

**15-minute break at 10:34 a.m.**

**4. Distributed Energy Resources update (presenter: Paul Davis)**

Paul Davis, distributed energy resources manager, provided an overview of the collaboration and coordination among Platte River staff and owner community staffs, their vision and guiding principles for the committees, the current areas of focus and the projected timeline for DER.

Director Minor asked how staff is incorporating meter data management into the customer information systems (CIS). Mr. Davis said the committee is evaluating how different systems will work together within a virtual power plant. Mr. Singam Setti noted that each owner community has its own systems and mentioned CIS has two components to consider: how Platte River will interact with multiple systems while collecting the data and what kind of analytics will be incorporated into a virtual power plant. Director Minor observed owner community staffs would want to incorporate their system into the CIS billing system to make sure the information Platte River sees is accurate. Mr. Singam Setti reiterated the pilot programs will show what the system is missing during the gap analysis.

Director Gertig expressed concerns with system integration progress in each owner community and showing realistic analytics through project management. Mr. Davis responded that the road map will show the progress of all four owner communities and enable us to address needs along the way. Director Gertig specified AMI implementation over a multi-year budget and timeline with changing councils and policy makers throughout the project. Director Koenig encouraged reviewing progress in all four communities as a whole so that none are left behind. Discussion continued among directors and staff on DER integration, data evaluation during the pilot programs and consultant support during the implementation process.

**5. Regional messaging strategies and concepts (presenter: Eddie Gutiérrez)**

Mr. Gutiérrez presented proposed regional messaging strategies, value proposition concepts with a draft radio advertisement sample, the process for building a campaign together and supporting marketing materials for Platte River and the owner communities.

Director Minor supported each owner community working together with Platte River to communicate and educate the public with a unified voice. Mr. Gutiérrez provided an example of

marketing a community solar program and how purposeful messaging will benefit the program. Director Arndt noted Fort Collins emphasizing regionalism in the community and supports unified messaging. Director Koenig supported having both verbal and visual communication options. Directors Peck and Marsh expressed a desire to get more granular when communicating the rate increase and the value it provides. Mr. Gutiérrez added the communication process will evolve as staffs come together to discuss how to communicate the value end use customers will receive. Director Koenig requested that Platte River not be the only organization that is responsible for communicating to the public with multiple messaging sources. Mr. Frisbie commented on setting appropriate foundations with city councils by addressing questions and discussing how actions taken need to be coordinated among all four owner communities to accomplish the 2030 goal together. Discussion continued among directors and staff about collaboration efforts among the owner communities and Platte River and how the board can help in the effort to facilitate DER integration and unified messaging.

## Management Reports

### **6. Proposed Family and Medical Leave Insurance program (presenter: Libby Clark)**

Libby Clark, director of human resources and safety, provided an overview of the memorandum on page 35 that outlines the new Colorado Family and Medical Leave Insurance program. Ms. Clark will return to the September board meeting to present Platte River's plan to implement a paid leave program and opt out of the state-provided program. Director Arndt commented on how the value initiative is written and recommended Platte River opt out of the program. Director Peck asked if Platte River opts out could the individual employees opt into the program. Ms. Clark responded the option is available for employees to opt in. They can participate by paying a percentage tax into the program starting in 2023 for the benefit to start in 2024.

## Monthly informational reports

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

Ms. Leonard mentioned that the report provided updates on various ongoing topics and offered to answer any questions the board may have. There were no questions from the board.

### **8. July transition and integration report (presenter: Raj Singam Setti)**

Mr. Singam Setti highlighted staff asking the bidders that responded to the solar request for proposals to revise their estimates following the recent IRA approval. He mentioned that staff is also looking at how the IRA will impact DER implementation. There were no questions from the board.

### **9. July operating report (presenter: Melie Vincent)**

Ms. Vincent highlighted that the demand for the month was at budget, while overall energy was above budget, with wind and solar generation were above budget too. Net variable cost to serve



# Platte River Power Authority

Estes Park • Fort Collins • Longmont • Loveland

owner community load was below budget due to costs of purchased power and surplus sales revenues. She noted that net variable cost to serve load is above budget year-to-date. There were no questions from the board.

## 10. July financial report (presenter: Dave Smalley)

Mr. Smalley commented on favorable results for the month of July. Increased revenues were slightly offset by operating expenses being above budget from increased gas usage to serve owner community load and for surplus sales. From a year-to-date perspective, revenues were above budget and operating expenses were close to budget. There were no questions from the board.

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

Mr. Frisbie provided an update on the Chimney Hollow reservoir project. Directors commented on the reservoir project and seeing the progress in person.

## Roundtable and strategic discussion topics

Directors provided updates from their individual communities.

## Adjournment

With no further business, the meeting adjourned at 12:17 p.m. The next regular board meeting is scheduled for Thursday, Sept. 29, 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 29 day of September, 2022.

  
Secretary

