

Regular meeting minutes of the board of directors

2000 E. Horsetooth Road, Fort Collins, CO
Thursday, Feb. 23, 2023

Attendance

Board members

Representing Estes Park: Mayor Wendy Koenig and Reuben Bergsten
Representing Fort Collins: Mayor Jeni Arndt and Kendall Minor
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)
Josh Pinsky (IT service desk technician II)
Libby Clark (director of human resources and safety)
Shelley Nywall (director of finance)
Gary Whittenberg (director of system maintenance and facilities)

Guests

Kevin Jones (Fort Collins area chamber of commerce)

Call to order

Chair Bergsten called the meeting to order at 9:08 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. Melie Vincent, chief operating officer, spoke to the press release announcing Rawhide Unit 1 winning Plant of the Year award for 2020 and 2023 from the Coal Users' Group, mentioning the strict criteria to win the award. Jason Frisbie, general manager and CEO, added that former plant manager Andy Cofas is now

the vice chair for the nominating committee and presented the award to Travis Hunter, director of power supply. Chair Bergsten commented on how reliability will be increasingly more important as we get closer to 2030 and congratulated the staff at the Rawhide Energy Station.

Action items

1. Consent Agenda

- a. Approval of the regular meeting minutes of Dec. 8, 2022
- b. Incorporation into record of resolution 11-22: 2023 board of directors regular meeting schedule
- c. Transfer of 2022 capital budget carryover to 2023 Strategic Budget

Director Marsh moved to approve the consent agenda as presented. Director Hornbacher seconded. The motion carried 8-0. Mr. Frisbie referred to page 29 of the board packet noting 80% of the carryovers are because of supply chain issues.

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.

Annual meeting

2. Platte River Power Authority annual meeting

a. Annual election of officers

Chair Bergsten stated who the present elected officers are:

- Reuben Bergsten, chair
- Kevin Gertig, vice chair
- Angela Walsh, secretary
- Sarah Leonard, assistant secretary
- Dave Smalley, treasurer
- Jason Frisbie, general manager and chief executive officer

Chair Bergsten reminded the directors that officers serve for one year and are elected by resolution. The term begins at the conclusion of this meeting. If the board receives multiple nominations for any office a roll call vote will be called for each office separately. The chair also noted, as set forth in the annual meeting memorandum, the Organic Contract requires the chair and vice chair to be members of the board. These are the two positions for which nominations would be received. The officer positions

filled by management staff are traditionally retained and reaffirmed to meet the requirements of the Organic Contract. Chair Bergsten asked if the board wanted to have discussion prior to nominations.

Nominations: Marsh nominated the current slate of officers to remain in place.

Chair Bergsten restated the nominations for clarity; Reuben Bergsten for chair, Kevin Gertig for vice chair, and the staff members Angela Walsh for secretary, Sarah Leonard for assistant secretary, Dave Smalley for treasurer and Jason Frisbie for general manager/CEO.

Director Marsh moved to approve Resolution No. 01-23; Annual Election of Officers as nominated. Director Koenig seconded. The motion carried 8-0.

b. Annual retirement committee appointments

Chair Hornbacher stated the present retirement committee consists of the following members:

- Directors: Reuben Bergsten, David Hornbacher, Jacki Marsh and Jeni Arndt
- Management: Jason Frisbie and Dave Smalley

For 2023, no changes were proposed for management members.

Chair Bergsten explained that the board needs to appoint four directors and two management members to the committee and opened the floor for nominations. If there are more than four nominations a roll call vote will be called for each of the individuals nominated.

Nominations: Director Peck nominated the current committee members to remain in place.

Chair Bergsten restated the nominated retirement committee members will consist of the four directors: Reuben Bergsten, David Hornbacher, Jacki Marsh and Jeni Arndt, and the two management members: Jason Frisbie and Dave Smalley. Director Peck moved to approve Resolution No. 02-23; Annual Retirement Committee Appointments as nominated. Director Gertig seconded. The motion carried 8-0.

c. 2022 Platte River year in review and year-end operations and financial reports

Mr. Frisbie outlined the presentation by each member of the senior leadership team.

- Ms. Vincent provided the December variance report, discussed the year-end results in surplus sales and the impact of joint dispatch, and presented the division's significant events for power supply, fuels and water, power production, power delivery and system maintenance and facilities. Director Arndt asked what line galloping is. Gary Whittenburg, director of system maintenance and facilities, responded that transmission lines can collect ice during significant weather events and when there is wind, the ice causes the lines to catch the wind and "gallop." He described how airflow spoilers, stiff coil-like rods placed on the transmission lines, help with reducing movement of the lines and increases reliability, especially on the lines that run from east to west. Discussion continued among directors and staff regarding transmission lines and weather. Director Marsh spoke to the combustion turbine (CT) testing and asked if the wind

turbines are tested regularly. Ms. Vincent responded that the wind projects are through power purchase agreements and the operating company is responsible for testing, but staff monitors all renewable projects' performance daily. Raj Singam Setti, chief transition and integration officer, spoke about a weather event in Texas that caused icing of wind turbines and work is ongoing with how to de-ice them. Mr. Frisbie explained the CT units are tested for emissions monitoring and making sure they will respond when needed during extreme weather events in the winter or summer.

- Dave Smalley, chief financial officer and deputy general manager, reviewed the significant events in finance, year-end financial results and how the year-end results performed against the strategic financial plan metrics. Director Arndt asked if the renewable energy generated in Platte River's portfolio is included in surplus sales. Ms. Vincent explained that a surplus of renewable generation could be included in surplus sales after Platte River's load is covered, replacing other thermal units in the region, but Platte River does not transfer the associated renewable credits. Director Arndt followed up with another question asking if coal prices were going to continue to rise. Ms. Vincent responded that the coal market will experience volatility as the demand decreases; railroad agreements could impact the price as well. Mr. Frisbie clarified the variation in coal prices were predominately due to coal pricing at the Trapper Mine that feeds the Craig Station units and explained the mining operation challenges experienced in 2022. Discussion ensued among directors and staff regarding fuel supply variances and what it could look like after 2030.
- Eddie Gutiérrez, chief strategy officer, presented significant events and accomplishments in safety, human resources, public and external affairs and communications and marketing. Director Marsh commented on electric vehicles (EVs) advertisements and asked how Platte River could help educate city customers through utility billing communications. Mr. Gutiérrez agreed there is an opportunity to partner with larger EV dealerships in the area to help educate the customers within the owner communities. Mr. Singam Setti commented on the EV microsite that Platte River established recently. Director Gertig inquired about the equity, diversity and inclusion programs from 2022. Mr. Gutiérrez discussed programs the human resources department is working on and future programs for 2025. Director Koenig thanked Mr. Gutiérrez for proceeding with the strategic plan and working on communication strategies with the owner communities. Director Hornbacher thanked the team for all the work in human resources to fill vacant positions and the approach to making employee programs successful. Director Arndt noted staff from the City of Fort Collins will be attending the Zero Carbon City International Forum in Japan and asked for Mr. Gutiérrez to provide four bullet points on what Platte River is doing in the climate sector.
- Mr. Singam Setti provided an overview of significant accomplishments in resource transition, portfolio strategy actions, distributed energy resources and solutions, digital integration and cybersecurity. Director Minor commented on combining the information technology and operational technology departments and asked how they will work together as the advancement of technology continues to evolve. Mr. Singam Setti offered to share information on the software the teams will be working on together. Chair Bergsten complimented staff on the implementation process for the energy management system and discussed the integration of the transmission and distribution system criteria to meet the Resource Diversification Policy. Discussion ensued among directors and staff regarding the migration of open systems interconnection for the transmission level, the advanced distribution management systems for the distribution level and collaboration opportunities in bringing systems together.

- Sarah Leonard, general counsel, discussed the significant accomplishments for the environmental compliance, reliability compliance and legal departments. Chair Bergsten complimented the legal department and other staff on how they handled the Front Range Internet, Inc. situation by providing services to customers.
- Angela Walsh, executive assistant to the general manager, board secretary and administration services supervisor, covered the significant accomplishments in the administrative services department in supporting the organization, the board and the Energy Engagement Center.
- Mr. Frisbie summarized the significant accomplishments for 2022 and outlined the goals for 2023. Director Gertig requested that all four communities align on the prerequisites to accomplish the 2030 goals.

Chair Bergsten closed the annual meeting portion of the agenda.

10-minute break (11:04-11:14)

Management presentations

3. Timeline of 2023 milestone activities (presenter: Eddie Gutiérrez)

Mr. Gutiérrez outlined the timeline for regional external affairs and community engagement activations related to the Platte River milestones for 2023 and asked the board to provide feedback on timing for reaching out to the city councils and public education sessions. Director Peck invited staff to join the Earth Day celebration in Longmont. Director Arndt asked if staff have been involved with City Works that conducts leadership training through the City of Fort Collins and Leadership Fort Collins through the chamber and suggested Platte River present to those programs.

Mr. Gutiérrez asked the board to send him other program ideas for staff engagement in the owner communities. Director Marsh discussed community involvement opportunities in Loveland in July and Town Halls. Chair Bergsten acknowledged the change in culture by putting Platte River out into the owner communities. Director Minor expressed the importance of collaboration and working together to accomplish the 2030 goals. Mr. Frisbie reiterated the importance of unified messaging, collaboration and open dialog among the five utilities because Platte River cannot reach the goals without the four owner communities' assistance.

4. Daily market volatility (presenter: Melie Vincent)

Ms. Vincent presented the operation objectives to serving load for the owner communities while maintaining reliability and addressing the future challenges as the resource portfolio continues to evolve towards accomplishing the 2030 goal. Ms. Vincent described examples of recent operating days showing what resources were online to serve owner community load as well as regional sales. Director Marsh asked why the gas supply can be shut off and how to avoid that in the future. Ms. Vincent responded that staff is looking at firm gas transportation service contracts to replace the current interruptible gas service agreements to help avoid shutoffs in the future. Mr. Singam Setti commented on gas connection options and staff evaluating generation technology that uses a

hydrogen blend for fuel. Mr. Frisbie further explained the importance of being long and diversified in energy to serve the load and provide regional support with generation. Discussion ensued among directors and staff about generation, energy storage and diversifying the resource portfolio.

Director Minor requested confirmation that owner community load will be served first before selling excess generation when Platte River enters the market. Ms. Vincent confirmed that the Platte River load will be served first by bidding in the load and then the market will ensure the generation will reliably serve the load for each participant. Chair Bergsten commented on Platte River's rate stabilization fund. Mr. Smalley referred back to a previous question on daily operating cost volatility being passed down to the utility customers and elaborated on the rate smoothing methodology and how the rate stabilization fund's purpose is to enable Platte River to meet legal bond requirements under adverse financial conditions.

5. Third-party transmission service terms & conditions (presenter: Sarah Leonard)

Ms. Leonard explained the collaboration process in providing transmission service in the real time markets and the staff recommendation of setting a rate tariff of zero for these types of transmission transactions. Staff will bring back two resolutions during the March board meeting for the board's consideration—one to clarify the ability for the general manager to approve terms and conditions for transmission service and one for the board to approve setting a rate of zero for real-time dispatch transmission service in the Western Energy Imbalance Service market. There were no questions from the board.

6. Board discussion: general manager annual performance review policy

Chair Bergsten previewed future board meeting discussions evaluating the current general manager annual performance review policy to reflect modern appraisal standards. There were no questions from the board.

Management reports

7. GM annual review process (presenter: Libby Clark)

Libby Clark, director of human resources and safety, reminded the board of the annual performance review process in preparation for the March board meeting executive session. Director Koenig asked if this review would reflect changes that Chair Bergsten mentioned in the last agenda item. Ms. Clark clarified that this review is the same as years' past, evaluating Mr. Frisbie's performance against the strategic initiatives in the current Strategic Plan. Mr. Frisbie added that there are two policies addressing the annual review process and total employee compensation that need to be cleaned up to address relevant and current standards. Staff will bring suggested edits on both policies for the board's consideration at the March board meeting following the general manager annual review process for 2022.

8. Resource Diversification Policy status update (presenter: Raj Singam Setti)

Mr. Singam Setti referred back to the presentation staff provided at the December board meeting, creating a process to keep the board updated on the status of the Resource Diversification Policy. He noted that the updates will be provided in the monthly informational reports as the Resource Diversification report replacing the transition and integration report. There were no questions from the board.

Monthly informational reports for January

9. Q4 Performance dashboard (presenter: Jason Frisbie)

Mr. Frisbie presented the Q4 performance dashboard. There were no questions from the board.

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

Ms. Leonard highlighted the ongoing lawsuit over WestConnect transmission planning cost allocation under Federal Energy Regulatory Commission Order 1000 and the Western Area Power Administration's proposed rate increase for firm electric service. There were no questions from the board.

11. Transition and integration report (presenter: Raj Singam Setti)

Mr. Singam Setti emphasized the risks associated with supply chain constraints affecting the request for proposals process on a new solar project. There were no questions from the board.

12. Operating report (presenter: Melie Vincent)

Ms. Vincent discussed the January variance report, highlighting the below-budget wind and solar generation for the month and noting detailed information within the report on natural gas prices. There were no questions from the board.

13. Financial report (presenter: Dave Smalley)

Mr. Smalley discussed the favorable financial results for January and noted the financial schedules are not included because the finance department is still closing the books for 2022. There were no questions from the board.

14. General management report (presenter: Jason Frisbie)

Mr. Frisbie highlighted the enterprise risk management program, Efficiency Works project and the kickoff of the 2024 Integrated Resource Plan. There were no questions from the board.

Roundtable and strategic discussion topics

Directors provided updates from their individual communities.

Adjournment

With no further business, the meeting adjourned at 12:22 p.m. The next regular board meeting is scheduled for Thursday, March 30, 2023, 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 30 day of March, 2023.


Secretary

Adopted: March 30, 2023
Vote: 7-0

