

## Board update on the distributed energy resources strategic planning process

April 22, 2020

Following is an update on the distributed energy resource (DER) strategic planning committee's recent work and next steps.

- Platte River and the owner communities are developing a DER strategy for several reasons:
  - Owner community and customer interest in DERs
  - Platte River's Resource Diversification Policy will lead to greater reliance on intermittent renewable energy sources. DERs will play an important role in helping to integrate these sources while maintaining reliability and financial sustainability.
  - DERs have impact across the electric system and across utility functional areas. Integration of DERs will involve all five utilities and multiple departments within each utility. It will be important to develop an architecture that works across the functional areas and across the five utilities.
- Scope of DER strategy
  - Efficiency
  - Demand response / flexible load / energy response
  - Distributed storage
  - Distributed generation
  - Beneficial electrification
  - Potential for items not yet listed
- The DER strategy committee is made up of nine people
  - Two per utility (one in Estes Park)
  - The committee includes a wide range of members including high level officers and managers focused on strategy, planning, operations, rates/finance, customer and energy services.
  - Platte River project manager: Paul Davis, energy solutions manager
  - Committee members
    - Tim McCollough, committee co-chair and deputy director of L&P, Fort Collins Utilities
    - Dave Hornbacher, committee co-chair and executive director of electric services, Longmont Power & Communications
    - Andy Butcher, chief operating officer, Platte River
    - Alyssa Clemens Roberts, chief strategy officer, Platte River
    - Reuben Bergsten, director of utilities, Estes Park Power & Communications
    - John Phelan, energy services senior manager, Fort Collins Utilities
    - Kate Medina, internal services director, Longmont Power & Communications

- Bill Crowell, power operations manager, Loveland Water and Power
  - Tracey Hewson, customer relations manager, Loveland Water and Power
- The committee has had discussions of what it's trying to achieve as it developed a project charter and an RFP for strategy-development consulting services.
  - A vision for DER
  - Strategies to integrate DER into the physical system, through resource and system planning, operations, ratemaking and customer services
  - DER evaluation framework that considers benefits and costs of DER across the electric system
  - A coordinated approach to securing customer and system data
  - Input from and support of affected internal and external (customer) stakeholders
  - Improved outcomes for DER integration
- The result of this planning effort will not be a series of DER programs, but rather a DER strategy with the following elements:
  - Vision
  - Objectives
  - Framework
  - Metrics
  - Potential DER business models
- Progress to date:
  - Steering committee formed (Sep 2019)
  - Project charter drafted (Oct 2019)
  - Consultant RFP issued (Nov 2019)
  - Consultant selected (Feb 2020)
  - Contract executed (Mar 2020)
- The committee invited seven companies to bid on the consulting-services RFP and selected the Smart Electric Power Alliance (SEPA)
  - SEPA is a membership-based organization that is focused on grid modernization and decarbonization of the electric system
  - Members include over 700 utilities (73% of the energy sold in U.S.); utility commissions (34 out of 50 states); competitive solution providers
  - SEPA's services include
    - Research, education and advisory services
    - Facilitation of industry working groups focused on nearly a dozen different DER topics
  - SEPA's scope is to guide and facilitate the development of our strategy, facilitate public stakeholder sessions and to draw upon their research and knowledge base of DER integration and grid modernization.
- Anticipated timeline:

- Reduced process to four phases with increased community involvement – estimated at 12 months
  - Phase 1 is kickoff and direction setting (2 months)
  - Phase 2 is data gathering (2 months) – the first public stakeholder sessions will be held during this phase
  - Phase 3 is gap assessment (2 months) – second public stakeholder meeting
  - Phase 4 is report development (6 months) – third and fourth stakeholder meetings
  - Start date is being determined. It was originally planned for April, but due to COVID-19 we are taking a two-month pause. It is anticipated kick off will begin when the first public stakeholder sessions can be held in-person.