

Regular meeting minutes of the board of directors

2000 E. Horsetooth Road, Fort Collins, CO
Thursday, March 28, 2024

Attendance

Board members

Representing Estes Park: Mayor Wendy Koenig and Reuben Bergsten

Representing Fort Collins: Mayor Jeni Arndt and Tyler Marr

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, generation, transmission and markets)

Raj Singam Setti (chief operating officer, innovation and resource strategy integration)

Eddie Gutiérrez (chief strategy officer)

Angela Walsh (executive director of board and administration, board secretary)

Esther Velasquez (sr. executive assistant)

Josh Pinsky (IT service desk technician II)

Mitch Tomaier (IT systems administrator)

Kaitlyn McCarty (senior executive assistant)

Kylie Kwiatt (administrative assistant II)

Shelley Nywall (director, finance)

Libby Clark (director, human services and safety)

Javier Camacho (director, public/external affairs, strategic communications/social marketing)

Kendal Perez (manager, strategic communications and community relations)

Maia Jackson (senior communications and marketing specialist)

Izzy Smith (communications and marketing specialist)

Leigh Gibson (senior external affairs specialist)

Paul Davis (manager, distributed energy resources)

Zach Borton (distributed energy resources services manager)

Guests

none

¹ Attended remotely; arrived at 9:06 am, dismissed self at 12:00 pm

Call to order

Chair Gertig 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. Jason Frisbie, general manager and chief executive officer, presented Director Wendy Koenig with a bison statue to commemorate her time serving on the Platte River Board of Directors and highlighted contributions she made to the board. Director Koenig shared her gratitude to the board and staff of Platte River.

Action items

1. Consent agenda

- a. Approval of the regular meeting minutes of Feb. 29, 2024
- b. Resolution 03-24: Budget contingency process

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

Public comment

Chair Gertig opened the public comment section by reading instructions, noting that time to accommodate each speaker would be divided equitably by the number of in-person members of the public and callers wishing to speak at the start of public comment. No members of the public addressed the board.

Committee reports

2. Defined Benefit Plan committee report

Committee Chair Dave Hornbacher provided the Defined Benefit Plan (Plan) committee report from the Feb. 29, 2024, meeting and the second meeting held on March 21, 2024.

Committee Chair Hornbacher explained the plan's investment consultant, Northern Trust, reported on the plan's performance for 2024, noting that assets increased \$7.8 million, which included investment gains of \$10.1 million and net distributions of \$2.3 million. Year-to-date, the portfolio significantly underperformed its benchmark. The Plan's underperformance was primarily due to the portfolio's exposure to low-volatility, high-quality equities, so the portfolio returned 10% while the custom index returned 16%. The Plan's target annual return is 7.5%.

Northern Trust evaluated several investment portfolios and investment funds to address the portfolio's underperformance and to help better position the portfolio to meet the Plan's long-term objectives. Northern Trust recommended keeping the portfolio's broad asset allocation unchanged. The recommendation included reducing the portfolio's exposure to quality, low-

volatility equity strategies and accessing traditional investment strategies to help long-term returns. The committee agreed to move forward with Northern Trust's recommendations.

50 South Capital, the investment manager for the plan's private equity and private credit allocations, provided an update on the performance of the asset classes.

The committee held a second meeting on March 21, 2024, to conduct its annual review of the investment consultant. The committee evaluated Northern Trust's performance based on criteria in the scope of services included in the agreement between Northern Trust and Platte River. The committee agreed the consultant is not meeting expectations. Staff provided feedback and discussed the committee's concerns with Northern Trust. After discussions with Northern Trust, the committee will continue to monitor for improvements and take further action if necessary.

Committee Chair Hornbacher stated the next committee meeting is scheduled for May 30, 2024.

Board action items

3. Executive session

Chair Gertig noted the next item on the agenda was the annual performance review of the general manager. Board members received the review materials and pertinent compensation information ahead of the meeting. Director Arndt 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, confirming by roll call that all board members were present and asked if there was further discussion or action because of the executive session. Director Marsh moved to change Mr. Frisbie's compensation to 1.0 of the new compensation pay range midpoint, paid retroactively from Dec. 17, 2023, along with a one-time cash bonus of \$19,000. Director Hornbacher seconded. Directors explained Platte River's new compensation philosophy and how Mr. Frisbie's compensation ratio was determined. The motion carried 8-0.

Management presentations

4. Resource adequacy annual report (presenters: Raj Singam Setti and Sarah Leonard)

Raj Singam Setti, chief operating officer, innovation and resource strategy integration, described the resource adequacy reporting requirements of HB23-1039, requiring Platte River to submit an annual resource adequacy report to the board by April 1 each year and submit it to the Colorado Energy Office by April 30.

Sarah Leonard, general counsel, explained the submission process to the Colorado Energy Office. Staff requests the board authorize submission of the report on behalf of the board. Director Bergsten moved to authorize staff to submit the 2024 resource adequacy report to the Colorado Energy Office on behalf of the board. Director Peck seconded. Director Bergsten thanked staff for the summary report. Director Arndt asked if the report will be on Platte River's website. Ms. Leonard confirmed that the report will be on the website. The motion carried 8-0.

5. VPP series: Distributed energy storage update (presenter: Zach Borton)

Mr. Singam Setti introduced the virtual power plant series reflected in the management reports and presentations, with the first presentation on distributed energy storage. He referred to next month's virtual power plant presentation with information in the management report section of the board packet.

Zach Borton, distributed energy resources services manager, presented the distributed energy storage project to be located on owner communities' distribution systems. He discussed cost factors and value stacking (creating many use cases with one asset), location evaluation, risk mitigation strategies and next steps in land leases, construction and expected delivery date. Mr. Singam Setti noted the size of the project at each location receiving a five-megawatt (MW) battery, which collectively will provide 80 MW hours of stored energy.

Director Marsh asked how much in-home batteries cost and how they compare to the value stacking of distributed storage. Mr. Borton answered that it varies based on what type of battery and described distributed resource benefits. Director Bergsten commented on value stacking within sections of the owner communities and collaboration in evaluating potential locations. Chair Gertig asked if staff is experiencing any challenges obtaining alignment among the four owner communities. Mr. Borton confirmed the working process and collaboration for the storage project is going well and thanked the owner community staffs for all their work.

6. Legislative session update (presenter: Javier Camacho)

Javier Camacho, director, public and external affairs, strategic communications and social marketing, provided a brief overview of the guiding principles of legislative advocacy efforts for this year's session and highlighted air quality and air permitting bills targeting the oil and gas sector. Some of these bills, if passed, may also apply to Platte River.

Management reports

7. Virtual power plant (presenter: Raj Singam Setti)

Mr. Singam Setti previewed the virtual power plant series during agenda item five.

Monthly informational reports for February

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

Ms. Leonard highlighted the Municipal Energy Agency of Nebraska complaint challenging the Colorado's Power Pathway and the Environmental Protection Agency's proposed new regulations for greenhouse gas emissions from power plants.

9. Resource diversification report (presenter: Raj Singam Setti)

Mr. Singam Setti discussed working with the legal department to create the wind request for proposal (RFP) term sheet and receiving 15 notice of intent to submit a response for the all-dispatchable RFP. He also noted construction on the transmission facility to integrate the Black Hollow Solar project has started and work on permitting continues. Staff is actively negotiating for adding another 150 MW solar project that would connect through the same new substation.

10. Operating report (presenter: Melie Vincent)

Ms. Vincent highlighted operating results for February and year to date. In February, due to mild weather in the region, the overall net variable cost to serve owner community load was below budget, reflecting coal generation fuel savings and lower wind generation purchases, offset by decreased bilateral and market sales. Year to date municipal demand is close to budget and energy is slightly below budget.

11. Financial report (presenter: Dave Smalley)

Mr. Smalley highlighted financial results for February and year to date. In February, change in net position was \$1 million below budget, with below-budget revenues and operating expenses offsetting each other. He stated most of the change in net position was due to unfavorable fair market value adjustments. Year to date, change in net position is above budget \$1.3 million. The main reason is that operating expenses are below budget more than operating revenues are below budget. The lower operating revenues are mainly due to lower surplus sales pricing and volume.



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12. General management report (presenter: Jason Frisbie)

Mr. Frisbie highlighted the distributed energy solutions results and thanked the board for continued support during the annual review process. He also complimented the senior leadership team for all the work they do to support Platte River.

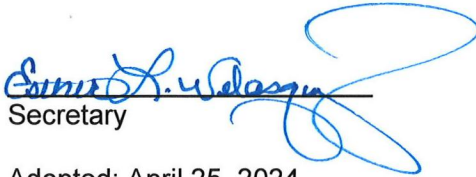
Roundtable and strategic discussion topics

Directors provided updates from their individual communities.

Adjournment

With no further business, the meeting adjourned at 12:37 p.m. The next regular board meeting is scheduled for Thursday, April 25, 2024, 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 April, 2024.


Secretary

Adopted: April 25, 2024
Vote: 8-0

