

Regular meeting minutes of the board of directors

2000 E. Horsetooth Road, Fort Collins, CO
Thursday, April 25, 2024

Attendance

Board members

Representing Estes Park: Mayor Gary Hall 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)
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)
Jennifer Hammitt (director, legal affairs)
Esther Velasquez (sr. executive assistant)
Josh Pinsky (IT service desk technician II)
Mitch Tomaier (IT systems administrator)
Kylie Kwiatt (administrative assistant II)
Shelley Nywall (director, finance)
Javier Camacho (director, public/external affairs, strategic communications/social marketing)
Kendal Perez (manager, strategic communications and community relations)
Leigh Gibson (sr. external affairs specialist)
Bryce Brady (manager, distributed energy solutions)
Paul Davis (manager, distributed energy resources)
Chris Fields (sr. fuels and water resources engineer)
Kristin Turner (sr. manager, accounting)
Jason Harris (sr. manager, financial reporting and budgeting)
Wade Hancock (sr. manager, financial planning and rates)
Alaina Hawley (sr. supervisor, distributed energy solutions)

Guests

Chris Telli (FORVIS, LLP)
Anna Thigpen (FORVIS, LLP)

¹ Left the meeting at 12:08 p.m.

Call to order

Chair Gertig called the meeting to order at 9:00 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 Gertig welcomed everyone. Jason Frisbie, general manager and chief executive officer, introduced Esther Velasquez, senior executive assistant, and Kylie Kwiatt, administrative assistant II. Melie Vincent, chief operating officer of generation, transmission, and markets, introduced the staff presenting at the meeting. Dave Smalley, chief financial officer and deputy general manager, introduced Chris Telli and Anna Thigpen of FORVIS, LLP, who would present the 2023 financial audit later in the meeting. Director Bergsten introduced new board member and mayor Gary Hall from Estes Park, and everyone welcomed him to the Platte River Power Authority Board of Directors.

1. Board secretary delegation of duties

Mr. Frisbie gave a brief overview of the delegation of duties outlined in the Organic Contract and Fiscal Resolution. Mr. Frisbie noted that for the first time in fifty years, both the board secretary and assistant secretary were not present at the meeting to maintain the official records of Platte River, including all resolutions and the minutes of meetings of the board of directors. He asked the board to accept delegating those duties to Esther Velasquez and Jennifer Hammitt, director, legal affairs, for the April 25, 2024, meeting.

Director Hall moved to accept the delegation of board secretary and assistant secretary duties. Director Marsh seconded. The motion carried 8-0.

Action items

2. Consent agenda

- a. Approval of the regular meeting minutes of March 28, 2024

Director Marsh moved to approve the consent agenda as presented; Director Hornbacher 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. Two members of the public addressed the board.

Board action items

3. 2023 FORVIS financial audit report

Dave Smalley introduced Chris Telli and Anna Thigpen of FORVIS, LLP, to present the 2023 financial audit report.

Mr. Telli provided an overview of the auditors' clean, unmodified opinion of April 8, 2024. In 2023, Platte River adopted a new accounting standard: Governmental Accounting Standards Board Statement No. 96 (GASB 96), *Subscription-Based Information Technology Arrangements*.

Ms. Thigpen provided further details on the audit results. Ms. Thigpen mentioned one audit adjustment, a reclassification in the footnote disclosure for the deferred outflow of resources accounts related to pension, which did not affect the financial statements. There will be a new GASB Statement No. 101, *Compensated Absences*, implemented for the 2024 fiscal year. Ms. Thigpen reviewed the financial statements and pointed out the Statements of Net Position were restated for 2022 due to implementing GASB 96 in 2023.

Director Bergsten and Mr. Telli thanked FORVIS and Platte River staff for their efforts to implement the new standard.

Mr. Telli thanked management, Platte River staff, and board members for their long-term commitment.

Director Bergsten moved to approve the 2023 FORVIS financial audit report as presented; Director Peck seconded. The motion carried 8-0.

4. Acceptance of 2023 annual report

Eddie Gutiérrez, chief strategy officer, provided an overview of the 2023 Annual Report, which contains the FORVIS, LLP independent auditor report and 2023 financial statements. The report highlights the success of our teams through an extraordinary year at Platte River and celebrates Platte River's fiftieth anniversary in service to our owner communities.

Director Hornbacher moved to accept the 2023 Annual Report as presented; Director Bergsten seconded. The motion carried 8-0.

Management presentations

5. Evolution of distributed energy solutions (presenter: Bryce Brady)

Raj Singam Setti, chief operating officer, innovation and resource strategy integration, introduced Bryce Brady, manager of distributed energy solutions, and remarked that the following presentation would continue the virtual power plant (VPP) series. The presentation outlined how programs are evolving into electrification distributed energy solutions for powering the VPP.

Mr. Brady presented Platte River's energy transition and how program models are changing to meet customers' new needs and those of the utility. He explained how Platte River has seen significant changes in customer behavior over the past few years. To meet these needs, Mr. Brady outlined how Platte River is developing a virtual power plant to provide flexible, dispatchable load to support reliability, reduce carbon, provide equity, and support electric vehicles with collaboration throughout the region and with its owner communities to provide trusted customer support, guidance, and resources to enable effective energy use across the technology spectrum of distributed energy resources.

Director Bergsten commented that the Efficiency Works™ customer energy programs showed how the owner communities and Platte River came together to create an exceptional resource in the region. He added the information presented emphasizes how energy efficiency is no longer the focus, and Platte River is making great progress in meeting customers' shifting needs. Director Arndt thanked staff for focusing on customers' viewpoints and said that electric vehicle charging is an area where regional collaboration may be beneficial. Director Hornbacher appreciated the balance of detail provided, suggested a chart would be visually helpful, and is pleased Platte River is reaching out to students who will be the upcoming workforce as VPP capabilities roll out. Director Hall supported the transformative direction. Chair Gertig complimented the presentation and said continued improvements in building efficiency and educating consumers while progressing toward electrification will provide stability.

6. VPP series: Virtual power plant (presenter: Paul Davis)

Mr. Singam Setti introduced Paul Davis, manager of distributed energy resources, and noted that his presentation would also continue the VPP series. Mr. Davis's presentation focused on collaboration efforts among the owner communities and Platte River staff and the next steps moving forward.

Mr. Davis described what a VPP is and how it may be able to deliver a portion of the dispatchable capacity required to support a reliable, financially sustainable, decarbonized electric system through both customer and utility distributed energy resources (DERs). He covered the most effective way to dispatch those resources and manage associated costs while balancing the benefits, challenges, and opportunities for the VPP to reduce load. Mr. Davis stated that software-based platforms, such as AutoGrid, may facilitate and accelerate the deployment of the VPP.

Director Bergsten asked if the DER aggregators are active in the energy markets. Mr. Davis responded that some of them are active in other markets. Discussion ensued among directors and staff on how DERs would integrate within the system and interact in the market without disrupting the distribution system.

Mr. Davis reminded the board that Platte River hired a consultant in 2022 to help develop a roadmap and assess gaps by looking at drivers, goals, desired outcomes, challenges, benefits, services, and functional capabilities and identifying technology. Director Marr asked how many electric vehicles (EVs) would need to participate in each owner community to beneficially contribute to the VPP potential achievable megawatt availability. Mr. Davis responded that 50,000 total

devices need to be enrolled in the DER programs; of those, about 40,000 will need to be EVs by 2030.

Mr. Davis discussed a draft resolution in support of a virtual power plant for consideration at the May board meeting and welcomed any feedback. He also summarized the next steps and predicted timeline.

Director Hall asked about the scope of adding staff, office space and computer systems needed to support a VPP. Mr. Davis responded that a VPP will require staff but not necessarily additional positions; this will be determined as the five entities continue to evaluate the systems. Mr. Singam Setti added that the data science aspect and DER assets will need to be considered throughout the evaluation phase. Discussion ensued among directors and staff regarding technology roadmaps, implementation of customer devices and integrating multiple systems.

10-minute break (11:10 - 11:20 a.m.)

7. Water and Chimney Hollow Reservoir update (presenter: Chris Fields)

Dr. Chris Fields, senior fuels and water resources engineer, summarized current water supply conditions and reviewed construction progress at Chimney Hollow Reservoir.

Dr. Fields showed a brief video of the project and mentioned that Northern Water offers participant tours. Director Hall asked if the reservoir is for storage only or if there will be energy generated also. Dr. Fields noted the participants explored an energy generation project early in the reservoir planning phase, but the numbers did not support on-site generation. Director Bergsten asked if in future years when Windy Gap does not pump water, will Platte River still need CB-T water for operations. Dr. Fields responded that staff is currently evaluating that and all participants would like to continue to use the in-lieu program. Discussion ensued among directors and staff on the value of water to the owner communities and project tours.

Dr. Fields also previewed the updated Platte River Water Resources Reference document, which will be available for the board's review in the May board packet.

8. Integrated Resources Plan community engagement update (presenter: Eddie Gutiérrez)

Mr. Gutiérrez gave an overview of Platte River's Integrated Resources Plan (IRP) community engagement efforts. He stated that Platte River continues to meet with various community groups to gather feedback and engage communities about Platte River's energy resource transition. He also previewed the scheduled meetings in all four owner communities, beginning in June.

Management reports

9. Wholesale rate projections (presenter: Dave Smalley)

Mr. Smalley explained how Platte River provides proposed wholesale rate projections to the owner communities for budgeting processes and previewed the proposed rate increase for 2025. Staff will provide further details about rate drivers at the May board meeting.

Chair Gertig thanked staff for proactively working with the owner community finance teams. Director Marr asked how the deferred revenue and expense policy will influence rates in the near and long term. Mr. Smalley explained the policy concentrates on the energy transition period, not long-term strategy. Right now Platte River is focused on accumulating the deferred revenues to offset the rate pressures in 2027, 2028 and 2029. Discussions ensued among directors and staff about replacing generation units with renewable energy, costs associated with new resources, how they impact rates and rate forecasting, and cost-saving measures.

10. Draft 2024 Integrated Resource Plan (presenter: Raj Singam Setti)

Mr. Singam Setti previewed the first six chapters of the draft 2024 Integrated Resource Plan (IRP). He mentioned that staff will present the results, review each portfolio strategy in more detail, along with a risk-adjusted portfolio to address current market dynamics, and discuss a three-year action plan during the May board meeting.

Director Peck asked how the new rules from the U.S. Environmental Protection Agency (EPA), which call for 90% decarbonization by 2032, will affect Platte River. Mr. Frisbie responded the legal team is reviewing the ruling and has covered it in more detail in the legal report under agenda item 12. Mr. Singam Setti explained wind and solar are at the core of decarbonizing the portfolio, along with dispatchable capacity (storage, virtual power plant, and aeroderivative turbines) that will be available to manage the intermittent wind and solar resources as needed for reliability.

Monthly informational reports for March

11. Q1 performance dashboard (presenter: Jason Frisbie)

Mr. Frisbie remarked that all reliability metrics were either met or exceeded. Environmental responsibility surpassed estimates due to coal resources operating below budget estimates even though wind and solar came in below budget. The difference between projections and actuals is because of a reduction of overall generation from baseload resources. Staff continues to work with the Southwest Power Pool to estimate other purchases better so carbon is not overstated. First quarter financial results were also favorable.

12. Legal, environmental and compliance report (presenter: Jennifer Hammitt)

Jennifer Hammitt noted the EPA's new decision was the only item of significance from the last report. The EPA finalized its rules on electric generating units and greenhouse gas emissions. The rules primarily apply to coal-fired generating units, calling for a reduction of 90% by 2032. The rules

do not affect existing gas-fired units; a later rulemaking will address existing units. The new rules focus on existing units with capacity factors over 40%, so they will likely not affect Platte River.

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

Mr. Singam Setti reviewed the information provided in the resource diversification report. Platte River issued its all-dispatchable resource request for proposals in February; the response period closed yesterday—staff will review proposals over the next month. Staff has also worked on a new solar power purchase agreement and is monitoring a new tariff that may prohibit or limit imported solar panels.

14. Operating report (presenter: Melie Vincent)

Ms. Vincent highlighted operating results for March and year to date. As a result of mild weather, both demand and energy were lower than budgeted, yet the net variable cost to serve owner community load was slightly higher than anticipated. Congestion in the market prevents Platte River from selling excess wind to areas like California at higher rates. A recent windstorm damaged some solar panels, and repairs have been slow. Batteries are also problematic and will be down while parts are on order, with a lead time of 28 weeks.

15. Financial report (presenter: Dave Smalley)

Mr. Smalley highlighted financial results for March and year-to-date. March was a good month, with a favorable net income of \$3 million. Revenues for surplus and municipal sales were below budget, but lower operating costs more than offset lower sales.

16. General management report (presenter: Jason Frisbie)

Mr. Frisbie complimented staff efforts on the audit, annual report, and IRP, saying it takes much time to compile all these large documents simultaneously.

Roundtable and strategic discussion topics

Directors provided updates from their individual communities.

Adjournment

With no further business, the meeting adjourned at 12:23 p.m. The next regular board meeting is scheduled for Thursday, May 30, 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 30 day of May, 2024.



Secretary

Adopted: May 30, 2024

Vote: 8-0

