

## Regular meeting minutes of the board of directors

2000 E. Horsetooth Road, Fort Collins, CO  
Thursday, May 30, 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 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, 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)  
Kaitlyn McCarty (senior executive assistant)  
Mitch Tomaier (IT systems administrator)  
Shelley Nywall (director, finance)  
Wade Hancock (senior manager, financial planning and rates)  
Heather Banks (senior manager, fuels and water)  
Javier Camacho (director, public/external affairs, strategic communications/social marketing)  
Kendal Perez (manager, strategic communications and community relations)  
Leigh Gibson (senior external affairs specialist)  
Paul Davis (manager, distributed energy resources)  
Bryce Brady (manager, distributed energy solutions)  
Pat Connors (director, portfolio strategy and integration)  
Erik Martin (financial analyst III)

#### Guests

none

### 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.

## Action items

### 1. Consent agenda

- a. Approval of the regular meeting minutes of April 25, 2024
- b. Resolution 04-24: Wholesale transmission service tariff (WT-25)

Director Bergsten 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. Five members of the public addressed the board.

## Board action items

### 2. Executive session

Chair Gertig noted the next item on the agenda was for the board of directors and senior leader staff to go into executive session for the purposes of determining positions relative to matters that may be subject to negotiations, developing strategy for negotiations, and instructing negotiators. Specifically, the board would confer with and provide guidance to staff about long-term power purchase agreements.

The general counsel advised that an executive session was authorized in this instance by Colorado Revised Statutes, Section 24-6-402(4)(e)(I); provided that no formal action would be taken during the executive session. Director Bergsten 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. No further discussion or action was taken.

### 3. Support for a virtual power plant (Raj Singam Setti)

Raj Singam Setti, chief operating officer, innovation and resource strategy integration, thanked the board for their feedback and support for the resolution. He stated the resolution will ensure collaboration will continue and the funding is stated clearly for the four owner communities and Platte River throughout the development of the virtual power plant (VPP). Director Bergsten commented on the cost-benefit ratio and community engagement throughout the process.

Mr. Frisbie recommended taking a long-term view towards future benefits to the system for this portion of the portfolio. Director Marr supported starting the VPP early to keep the process moving forward. Discussion ensued among directors and staff regarding the four owner communities working together with Platte River to integrate systems of the five entities, choosing the technology that works well together and centralizing the system.

Director Bergsten moved to approve Resolution 05-24: Support for a virtual power plant. Director Hall seconded. The motion carried 8-0.

## Management presentations

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

Mr. Singam Setti provided an overview of the planning and assumptions used to develop the 2024 Integrated Resource Plan (IRP) and presented the results of the five portfolio options.

Director Arndt commented that the planning assumption for potential beneficial electrification and electric vehicle penetration forecast for load growth did not seem to match predictions from media reports on artificial intelligence (AI) power requirements. Mr. Singam Setti noted that AI growth is not expected to be as high in Northern Colorado as on the east coast.

Director Hornbacher asked if the wind capacity factors Platte River used are an industry standard set for planning purposes. Mr. Singam Setti explained that Platte River used third-party vendor evaluate Platte River's system and the western interconnection. Results showed capacity factors decreasing as more wind was added to the system. This is because wind's contribution to load service during peak demand is limited. Sarah Leonard, general counsel, explained the organized market sets the prescribed methodologies to assess load carrying capability to decide who meets resource adequacy requirements in the system. Melie Vincent, chief operating officer, generation, transmission and markets, added that transmission plays a role in obtaining a higher effective load carrying capability.

Director Hornbacher pointed out that after 2030 all coal is removed from the portfolio and the added dispatchable thermal resource will eventually change to green hydrogen when the technology catches up. Mr. Frisbie noted the chart does not include existing combustion turbines (CT) currently in the portfolio that will remain post 2030. He added that long-duration storage could replace the CTs in the future. Director Marr asked for a comparison of the three portfolios that are similar in cost. Mr. Singam Setti discussed the differences between the three portfolios in economic value, including the cost of each added resource, how much of the resource would be needed and how to manage the portfolio, referring to them as tools in the tool kit. He added that the differences are in portfolio reliability and associated costs.

Director Bergsten asked if the carbon-imposed cost was an internal addition or an external requirement for each portfolio. Mr. Singam Setti stated that a carbon tax may be imposed for thermal resources in the future and the variable was added to the cost comparison of each portfolio. Discussion ensued among directors and staff regarding carbon costs and the

production of carbon-emitting resources.

## **5. Average wholesale rate projections and 2025 tariff schedule charges (presenters: Shelley Nywall and Wade Hancock)**

Shelley Nywall, director of finance, discussed the Platte River financial governance framework, the historical average wholesale rates since 1978, the projected rate increases expected until 2034 and what is driving the rate increases.

Director Hornbacher recommended showing the value of reliability as an important factor included in the rate increase projections. Director Bergsten echoed the importance and value of reliability. Director Hornbacher commented on reliability and how that will impact the increased need for charging electric vehicles. Ms. Vincent noted that organized markets quantify the value of lost load. Director Hall commented on the variables included in rates forecasting. Discussion ensued among directors and staff regarding increasing costs, rate smoothing efforts and long-term outlooks for the variables that will change.

Wade Hancock, senior manager, financial planning and rates, presented the case comparisons for revenues and expenses, what is driving rate increases, rate stability strategies, rate modeling uncertainties, average wholesale rate ranges and the 2025 rate tariff schedule changes.

Director Arndt asked if customer price sensitivity is considered during the modeling process. Mr. Frisbie commented on household customer usage being minimal and that most of the energy consumption is commercial and industrial. Mr. Singam Setti and Mr. Hancock responded on customer behavior over the last six years has changed the load profiles affecting the load growth projections. Discussion ensued among directors and staff on customer behavior, cost considerations for businesses and automation of electricity saving devices.

Director Bergsten asked if the peaking units' usage in the winter compared to the summer months were being driven by the market. Mr. Hancock responded the CTs are being used more in the non-summer months than previous years; the summer use ratio changes when they are used in non-summer months. Ms. Vincent commented on the units being online to provide system reliability and to cover surplus sales contracts.

## **Management reports**

### **6. Rawhide Just Transition Plan (presenter: Melie Vincent)**

Ms. Vincent discussed the Rawhide Just Transition Plan that will be incorporated into the 2024 IRP and, upon approval, will be sent to the Colorado Office of Just Transition. Staff will present the plan during the July board meeting.

## **7. Water Resources Reference Document update (presenter: Heather Banks)**

Heather Banks, sr. manager, fuels and water, presented the eighth edition of the Water Resources Reference Document, noting the condensed version will be updated on a three-year cycle moving forward.

## **Monthly informational reports for April**

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

Ms. Leonard highlighted the Glen Canyon Dam ruling, Environmental Protection Agency's rules that will affect Platte River, and the Department of Energy's final ruling on coordinated interagency transmission authorizations and permits program.

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

Mr. Singam Setti discussed ongoing negotiations with developers on two solar projects, working on term sheets for the wind projects and work being done to move the energy storage projects forward. He also mentioned Platte River staff continues to work with owner community staff on the distributed energy storage project with permitting and site locations.

### **10. Operating report (presenter: Melie Vincent)**

Ms. Vincent highlighted operating results for a mild weather month in April, reflecting demand and energy below budget. Net variable cost to serve owner community energy was also below budget, driven by coal generation fuel savings and lower wind generation volume, offset by lower bilateral and market sales volume, higher coal generation fuel pricing and higher market purchase volume. Year-to-date, much like April, owner community demand and energy are below budget, resulting in lower coal generation, lower market sales volume and higher fuel pricing and purchase volume.

### **11. Financial report (presenter: Dave Smalley)**

Mr. Smalley highlighted financial results for April, reflecting favorable change in net position compared to the budget. Below-budget revenues were more than offset by reduced operating expenses. Year to date, change in net position is \$5 million above budget, however approximately \$3 million of the variance is due to budget timing for work on the CT units. Year to date, below-budget operating expenses continue to offset below-budget revenues for the year.



# Platte River Power Authority

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

Mr. Frisbie highlighted the Fiber Optics Intergovernmental Agreement coming to the board as a presentation in July, with approval in August. He also noted the printed 2023 Annual Report handed out to the board. He thanked staff for working on the draft IRP document provided in the board packet.

## Roundtable and strategic discussion topics

Directors provided updates from their individual communities.

## Adjournment

With no further business, the meeting adjourned at 12:32 p.m. The next regular board meeting is scheduled for Thursday, July 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 July, 2024.

  
Secretary

Adopted: July 25, 2024  
Vote: 6-0