

## Regular meeting minutes of the board of directors

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

### Attendance

#### Board members

Representing Estes Park: Mayor Gary Hall  
Representing Fort Collins: Mayor Jeni Arndt and Tyler Marr  
Representing Longmont: Mayor Joan Peck  
Representing Loveland: Mayor Jacki Marsh and Kevin Gertig

#### Absent

Reuben Bergsten and David Hornbacher

#### 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)  
Josh Pinsky (IT service desk technician II)  
Jeremy Clark (director, power markets)  
Javier Camacho (director, public/external affairs, strategic communications/social marketing)  
Darren Buck (director, power delivery)  
Masood Ahmad (senior manager, resource planning)  
Izzy Smith (communications and marketing specialist)  
Maia Jackson (senior communications and marketing specialist)  
Matt Scheppers (manager, system engineering)  
Mark Siano (supervisor, system engineering design)  
Jeff Menard (manager, facilities services)

#### Guests

Barton Barnhart, Western Area Power Administration

### 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.

## Action items

### 1. Consent agenda

- a. Approval of the regular meeting minutes of May 30, 2024

Director Marsh moved to approve the consent agenda as presented. Director Peck seconded. The motion carried 6-0.

## 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. Sixteen members of the public addressed the board.

## Committee reports

### 2. Defined Benefit Plan committee report (presenter: Dave Smalley)

Dave Smalley, chief financial officer and deputy general manager, provided a summary of the Defined Benefit Plan committee meeting from May 30, 2024.

Mr. Smalley explained the actuary from Willis Towers Watson reviewed the plan's actuarial valuation report, which includes the required funding contribution for 2025. Due to positive portfolio returns in 2023, funding is decreasing from \$9.1 million in 2024 to \$8 million in 2025. As a reminder, during 2023, the board approved contributing \$3 million of the 2024 funding in 2023. This reduced the 2024 contribution from \$9.1 million to \$6.1 million. Mr. Smalley reminded the board that the defined benefit plan was closed to new participants in 2010. As of December 31, 2023, there were 72 active employees in the plan, down from 77 on December 31, 2022. The total number of participants, including retirees, is 303. If actuarial assumptions are met, the actuary projects a steady decline in funding from 2025 to 2045, with funding falling below \$1 million beginning in 2034.

The plan's investment consultant, Northern Trust, provided an asset and liability study, explaining that, due to Platte River's disciplined contribution strategy, the plan remains on track to meet its funding ratio goal of 100%. The current strategic asset allocation continues to provide a reasonable balance to manage the asset volatility while earning sufficient returns to improve the ratio over time.

Northern Trust also reported on the plan's performance for the quarter ended March 2024, showing the assets increased \$3.7 million, as positive market returns and contributions exceeded benefit payments. The portfolio returned 4% while the plan's benchmark increased 5%. The plan's target return is 7.5%. Northern Trust noted the plan's underperformance has been the result of the portfolio's exposure to low-volatility, high-quality equities. The low-volatility

strategies gave the portfolio downside protection during turbulent markets but lagged market returns when riskier equity strategies performed well. To address the portfolio's underperformance, Northern Trust implemented a revised investment portfolio structure to enhance long-term expected returns with lower volatility than the prior investment portfolio. The changes were completed in March.

Mr. Smalley noted the committee discussed the disappointing performance of the investment portfolio relative to the benchmark. As part of the committee's fiduciary responsibility, the committee directed staff to move forward with a request for proposals for investment consulting services.

The next committee meeting is scheduled for August 29, 2024.

**a. Defined Benefit Plan committee appointment**

Director Arndt moved to approve Resolution 06-24: Defined Benefit Plan committee appointment of Director Gary Hall as presented. Director Marsh seconded. The motion carried 6-0.

## Board action items

### 3. 2024 Integrated Resource Plan (presenter: Raj Singam Setti)

Raj Singam Setti, chief operating officer, innovation and resource strategy integration, reviewed the 2024 Integrated Resource Plan (IRP) results and staff recommendation to pursue the optimal new carbon portfolio.

Sarah Leonard, general counsel, noted a correction in the resolution to add the word "new" between "optimal" and "carbon" in two areas of the resolution to reflect the portfolio title of "optimal new carbon."

Director Peck asked if staff studied how other utilities of similar size to Platte River's load cover the dark calm weather events. Mr. Singam Setti explained the research completed on dark calm weather events focused on our region and their impact. He further explained other utilities within the Large Public Power Council and other regional entities have different portfolio resource mixes, but none of them were retiring their gas units and many were covering expanded resource needs through power purchase agreements. Director Peck asked if buying wind energy from other states could cover our dark calm events. Mr. Singam Setti responded Platte River always evaluates transmission costs and congestion when determining how to cover those events.

Director Marsh clarified her understanding that the aeroderivative units will not be used as a base load resource but will be used to cover extreme weather and dark calm events. She also questioned whether the aeroderivative units would cover other utilities' base load needs through the market. Mr. Singam Setti confirmed her clarifications and stated the aeroderivative units are essential reliability resources to stabilize the renewable, intermittent resources.

Director Arndt reflected on speaking at a local economist event and explained that Platte River does nothing in the theoretical and the proposed IRP is a plan that is attainable, because action is taken to make the plan work. Director Marr asked how the market will call upon the aeroderivative units. Mr. Singam Setti explained the modeling aspect to evaluate future market pricing and resource costs among the resource portfolios. Melie Vincent, chief operations officer, generation, transmission and markets, explained how locational market pricing determines what resources are called upon, and if available low-cost resources meet demand, there is no need or economic advantage to “turn on” more resources, such as the aeroderivative units, when they are not needed.

Director Hall commented on the progressive nature of the plan and noted that he will support the 2024 IRP recommended portfolio. Director Peck requested a future presentation on the owner communities’ plans to help reduce carbon. Director Marr commented on the importance of Platte River’s three pillars and expressed his support for the staff-recommended 2024 IRP portfolio of optimal new carbon.

Director Peck moved to approve Resolution 07-24: 2024 Integrated Resource Plan as presented. Chair Gertig complimented staff’s efforts in a thorough evaluation to develop a plan that meets the three pillars of the organization and accomplishes the goals. Director Marsh seconded. The motion carried 6-0.

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

Ms. Vincent reviewed the Just Transition Plan commitment to retain employees through the energy transition and avoid involuntary separations due to Rawhide Unit 1’s retirement. The Just Transition Plan will be submitted to the Colorado Office of Just Transition and will also be included in the 2024 IRP.

Director Arndt thanked the staff for caring about the employees and creating a plan for transition. Director Hall commented on visiting the plant and enjoying the opportunity to meet employees that work there.

Director Hall moved to approve Resolution 08-24: Rawhide Just Transition Plan as presented. Director Arndt seconded. The motion carried 6-0.

Mr. Frisbie introduced the two videos shown to the board. The first one was produced to commemorate the 40<sup>th</sup> anniversary of Rawhide Energy Station on April 1 and the second video was the groundbreaking ceremony for the Black Hollow Solar project.

10-minute break (10:35 - 10:45 a.m.)

## Management presentations

### **5. Fiber management intergovernmental agreement amendment (presenter: Shelley Nywall)**

Shelley Nywall, director of finance, reviewed the proposed amendment to the Intergovernmental Agreement for Fiber Management and the draft resolution to adopt the recommended changes.

Staff will ask the board to approve the proposed amendment during the August board meeting. Director Peck asked if the four city councils need to approve the amendment by the August board meeting. Ms. Nywall said the Platte River board will approve the amendment at the August board meeting, but the amendment will not take effect until all city councils have an opportunity to review and approve the proposed amendment. Mr. Frisbie added that staff would like to have it approved by the end of the year for proper accounting of fiber revenues in 2025.

### **6. One-year WEIS participation and SPP RTO West update (presenter: Jeremy Clark)**

Ms. Vincent introduced Jeremy Clark, director of power markets, to the board. Mr. Clark reviewed the first year of participation in the Western Energy Imbalance Service market and provided a status report on preparations for Platte River to join the Southwest Power Pool (SPP) Regional Transmission Organization – West, planned for April 2026.

Mr. Frisbie pointed out that the advancement of joining an organized market was just one of several bullet points spelled out in the Resource Diversification Plan passed by the board in 2018, but it has required significant additional staff, funding and coordination to prepare to participate in both markets.

### **7. Flatiron – Estes Park transmission line update (presenter: Melie Vincent)**

Ms. Vincent summarized the three power outages Estes Park experienced during and after the transmission line replacement project by Western Area Power Administration (WAPA), actions taken by both Platte River and WAPA staff during and after each event and the continued evaluation of the electric system in Estes Park.

Barton Barnhart, senior vice president and regional manager of WAPA, described WAPA's strategies to prevent further outages in 2024 and a long-term solution for outage prevention.

Director Hall asked how shutting off the Granby line helped to keep power in Estes Park. Mr. Barnhart responded the Granby line does not have the capacity to serve the whole town and shutting it down helped with voltage regulation. Discussion ensued among directors and staff regarding taking lines out of service to prevent damage to the system, line capacity limitations and future operational investments to improve the system in Estes Park.

Chair Gertig discussed how the five entities work together on response management and how to improve the system and thanked WAPA for its commitment to strengthening the connection to Estes Park. Director Hall thanked the owner communities that sent staff to help after the last

outage.

#### **8. Legislative session recap (presenter: Javier Camacho)**

Javier Camacho, director, public/external affairs, strategic communications/social marketing, summarized the 2024 Colorado legislative session, including an overview of outcomes from legislation tracked by Platte River staff and Husch Blackwell Strategies, the state lobbyist. He also previewed expected legislation for the 2025 session.

### **Monthly informational reports for May/June**

#### **9. Q2 performance dashboard (presenter: Jason Frisbie)**

Mr. Frisbie reviewed the second quarter operations, finance and environmental compliance results. He explained that staff is working on an accounting function to show what generation resources provide surplus energy in the market to properly account for carbon emissions. Director Peck asked what energy Platte River sells in the market. Mr. Frisbie and Ms. Vincent explained the surplus energy could be a mix between thermal and renewable resources depending on the generation availability at the time and surplus above owner community load. Discussion ensued among directors and staff regarding renewable generation, selling generation into the market and how batteries will charge and discharge in the future.

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

Ms. Leonard highlighted three recent developments, including the Federal Energy Regulatory Commission's Order 1920 on regional transmission planning and cost allocation, the SPP petition for a declaratory order on tariff provisions and conflict with state law and the progress on SPP's western regional transmission organization.

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

Mr. Singam Setti provided a summary of the report including an update on the Distributed Energy Resource Management System (DERMS) request for proposals (RFP) with a pre-bid conference and issuing an energy utility scale storage project RFP. Director Arndt asked if there are challenges to installing battery storage. Mr. Singam Setti responded that there are questions being asked from the communities related to the sound ordinances, but he mentioned the bigger strategy is siting the locations to optimize the storage of new generation resources coming into the system.

#### **12. Operating reports (presenter: Melie Vincent)**

Ms. Vincent highlighted operating results for May and June. She noted that community demand and energy continue to be below budget for May and year to date. Net variable cost to serve owner community load came in better than budget due to fuel savings on coal and gas. Lower bi-lateral sales volume and higher fuel pricing continue to place upward pressure on the budget.



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For June, she stated that owner community demand was below budget 6.7%, but owner community energy was close to budget for the month. Net variable cost to serve owner community load was favorable for the month. June showed cost savings in coal generation fuel and higher bilateral sales volume, offset by higher purchase volume and higher wind generation volume than expected. Year to date, owner community demand and energy continue to be below budget, while cost to serve owner community load remains below budget, primarily driven by fuel savings and purchase power costs being lower than budget.

### 13. Financial report (presenter: Dave Smalley)

Mr. Smalley highlighted financial results for May and June. Change in net position is favorable by \$8.3 million year to date, operating expenses are below budget by 11.5%, and capital additions are below budget by \$13.1 million, slightly offset by revenues \$3.3 million below budget for the year. In response to a statement made during the IRP presentations claiming Platte River has higher rates than other Colorado utilities, he showed a slide with rate information from a recent rate survey provided by the Colorado Association of Municipal Utilities. He stated that each utility has a unique situation in how it determines rates and cannot be compared apples to apples.

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

Mr. Frisbie highlighted the Grid Resilience and Innovation Partnerships grant update, along with an award from the Colorado Department of Local Affairs and the Department of Energy for the battery project in Estes Park. He also encouraged the board to attend the summer picnic.

## Roundtable and strategic discussion topics

Directors provided updates from their individual communities.

## Adjournment

With no further business, the meeting adjourned at 12:15 p.m. The next regular board meeting is scheduled for Thursday, Aug. 29, 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 29 day of August 2024

  
Secretary

Adopted: Aug. 29, 2024

Vote: 7-0

