

Regular meeting minutes of the board of directors

2000 E. Horsetooth Road, Fort Collins, CO
Thursday, Aug. 29, 2024

Attendance

Board members

Representing Estes Park: Mayor Gary Hall and Reuben Bergsten¹
Representing Fort Collins: Mayor Jeni Arndt² 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)
Eddie Gutiérrez (chief strategy officer)
Angela Walsh (executive director of board and administration, board secretary)
Esther Velasquez (senior executive assistant)
Josh Pinsky (IT service desk technician II)
Shelley Nywall (director, finance)
Javier Camacho (director, public/external affairs, strategic communications/social marketing)
Julie Depperman (director, treasury services)
Maia Jackson (senior communications and marketing specialist)
Zach Borton (distributed energy resources services manager)
Preston Johnson (senior plant mechanical engineer)
Derek Book (manager, power system operations)
Paul Davis (manager, distributed energy resources)
Leigh Gibson (senior external affairs specialist)
Brody Griffin (manager, technical services)
Ashley McDonald (technology project manager)
Kendal Perez (manager, strategic communications and community relations)
Rob Morse (director, digital and information technology)
Jeff Grant (manager, telecom and fiber)
Kathleen West (senior communications and marketing specialist)
Amy Meger (senior manager, information and cyber governance)

Guests

None

¹ Arrived at 9:03 a.m.

² Attended online.

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 July 25, 2024
- b. Resolution 09-24: First amendment to intergovernmental agreement for fiber management

Director Peck moved to approve the consent agenda as presented. Director Hornbacher seconded. The motion carried 7-0.

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

2. Declaration of official intent to reimburse capital expenditures

(presenter: Julie Depperman)

Julie Depperman, director of treasury services, reviewed the declaration of official intent to reimburse capital expenditures resolution outlining the requirements to issue bonds and how to reimburse for the expenses made for capital additions. Ms. Depperman added that approval of this resolution does not authorize Platte River to issue debt.

Director Bergsten moved to approve Resolution 10-24: Declaration of official intent to reimburse prior capital expenditures as presented. Director Marr seconded. The motion carried 7-0.

Director Hall commented on the use of the aeroderivative units and electrification within the community. Director Peck commented how owner communities' elected officials' support for renewable energy helps Platte River stay on the path to decarbonization. Director Bergsten also commented on using the aeroderivative units as an insurance policy against dark calm events. Director Hornbacher commented on the importance for keeping the lights on and the additions

of solar. Director Hall commented on battery storage and Estes Park receiving a grant to support it.

Management presentations

3. Battery energy storage update (presenter: Zach Borton)

Zach Borton, distributed energy resource service manager, reviewed the planned project for distributed storage throughout the four owner communities and provided an update on project details for each owner communities' sites.

Director Hornbacher mentioned work by the Rocky Mountain Institute (RMI), an independent think tank working on innovative technology. Mr. Borton discussed the evaluation process with the four owner communities and RMI on how they address use cases. Director Bergsten commented on grid visibility and eliminating unnecessary barriers, and asked if there are any legal barriers to negotiating with vendors on having one system communicating with all four communities and Platte River. Mr. Borton responded that visibility is an important aspect to the project and coordination among the five entities continues to enhance the planning process for a virtual power plant (VPP). Director Bergsten discussed the actions being taken by the owner communities to ensure they are ready for future needs with infrastructure and energy to lessen the impact on the rate payers. He highlighted the owner communities' distribution systems and collaborating on assets. Discussion ensued among directors and staff on advances with communication technology, the market calling upon generation units and how the market may be able to use battery storage projects.

4. Combustion turbine Unit F outage update (presenter: Preston Johnson)

Preston Johnson, senior plant mechanical engineer, summarized the scheduled outage on combustion turbine (CT) Unit F, the major operations and maintenance work, capital enhancements and operational results.

Director Bergsten asked if the enhancements to the CT's ramp rates help with covering spinning reserves. Melie Vincent, chief operating officer, generation, transmission and markets, responded that the units do help with spinning reserves and the improved ramp rate will be beneficial in the market. For comparison, Jason Frisbie, general manager and chief executive officer, discussed the average ramp rate for Rawhide Unit 1. Mr. Johnson responded that the coal unit ramp rate is 5 MW per minute compared to the CT Unit F ramp rate of 12 MW per minute, and after the first hour the ramp rate increases to 25 MW per minute.

Break (10:12 - 10:21 a.m.)

5. Enterprise Resource Planning update (presenter: Dave Smalley)

Dave Smalley, chief financial officer and deputy general manager, reviewed the Oracle Enterprise Resource Planning system and how this change will impact Platte River. He

recognized the teams that collaborated and tested the platform, and summarized the timeline, budget and milestones for going live on the new system.

Director Marsh commented on implementing Oracle Financial in a previous life and congratulated staff on the tremendous lift. Director Bergsten asked if staff plans to celebrate the accomplishment. Mr. Smalley responded there will be a celebration planned.

6. Marketing campaign update (presenter: Javier Camacho)

Javier Camacho, director, public/external affairs, strategic communications/social marketing, provided an overview of the marketing campaigns focused on communicating major initiatives during the energy transition and educating the public on who Platte River is. He also summarized results from the marketing campaign and previewed the next campaign to start in September and run through the end of the year.

Director Bergsten asked to see the strategic vision for communication and marketing, and, in particular, to leverage the local value the five entities bring to the future of VPP participation. Mr. Camacho responded the primary goal to the marketing campaigns is to help the public recognize who Platte River Power Authority is as a generation and transmission organization and the relationship with the owner communities. He mentioned that a more focused marketing strategy for the VPP will come once the technologies are identified to give direction on how customers can participate. Director Bergsten commented on building customer trust. Mr. Camacho emphasized understanding where the electric service comes from but also what makes public power unique. Director Hall discussed highlighting the optimal new thermal generation supporting additional renewable energy. Mr. Camacho responded that the focus through the marketing campaigns is on how Platte River will provide a renewable, reliable and resilient future to the owner communities. Discussion ensued among directors and staff on future educational messaging focusing on the evolution of the entire system. Mr. Frisbie commented on speaking to the city councils and highlighting how a fully integrated system can take advantage of economies of scale. Director Bergsten discussed the evolution of time of use rates.

7. Alexander Mountain Fire response (presenter: Derek Book)

Derek Book, manager of power system operations, summarized the transmission system situational awareness during the Alexander Mountain Fire, the fiber optic cable damage, and actions taken by Platte River staff. He also reviewed the lessons learned to enhance internal incident command response for future events.

Director Bergsten asked for further explanation on the transmission system redundancy to reroute energy. Mr. Book explained the pathways owned and operated by Platte River and other entities, how they connect and create redundancy throughout the owner communities, and where there are risks in areas of the transmission system. Mr. Frisbie commented on transmission planning for redundancy with risk mitigation efforts. He added that transmission planning is a continual process, especially for placing new generation resources. Discussion ensued among directors and staff on creating redundancy through the electric system and the

fiber communications systems.

Chair Gertig complimented staff on the emergency response and communication.

Monthly informational reports for July

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

Ms. Leonard highlighted the Southwest Power Pool's (SPP) petition for a declaratory order on tariff provisions and conflict with state law between the Federal Energy Regulatory Commission (FERC) and an SPP Regional Transmission Organization (RTO) member Omaha Public Power District. She also highlighted the progress on the SPP's western RTO tariff changes.

Chair Gertig asked about the timing of the tariff changes with FERC. Ms. Leonard discussed the provision in the Federal Power Act establishing a 60-day action period for rate filings.

9. Resource diversification report (presenter: Paul Davis)

Paul Davis, manager, distributed energy resources, highlighted the procurement process for storage, the Efficiency Works energy services for customers in owner communities and the evaluation efforts with the VPP Distributed Energy Resources Management System vendors. He also discussed reviewing the proposals for a large utility scale storage project for 75-100 MW of storage and additional wind capacity. Director Bergsten asked if the storage components are modeled in the rates forecasts. Mr. Smalley responded that they are. Director Peck asked how many batteries would be included in the large utility scale battery project. Director Bergsten noted that 75-100 MW of storage would be five times the size of the distributed energy storage systems to be placed in the owner communities. Mr. Frisbie added that the two-hour Telsa battery at the Rawhide Energy Station is the size of a semi-trailer. Director Hornbacher commented on the battery storage and renewable generation projects Platte River is working on.

10. Operating report (presenter: Melie Vincent)

Ms. Vincent highlighted operating results for July. Demand and energy were both below budget for the month. Net variable cost to serve owner community load was below budget due to higher bilateral sales volume and lower natural gas prices. Offsetting the below-budget numbers for July were higher Craig generation volume and pricing; higher market purchase pricing also contributed to the upward pressure. For year to date, owner community demand and energy are still below budget. Expenses are below budget due to coal generation fuel savings at Rawhide, lower wind generation and pricing and higher bilateral sales pricing. These have been partially offset by lower bilateral and market sales volume, higher coal generation fuel pricing at Craig and higher market purchase volume for year.



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11. Financial report (presenter: Dave Smalley)

Mr. Smalley highlighted financial results for July. He noted change in net position was below budget due to timing of previously budgeted expenses for CT outages. Revenues for the month were at budget, while operating expenses were below budget due to wheeling and transmission sales above budget. Year to date, change in net position is above budget by \$7.4 million, with revenues below budget but offset by savings in operating expenses and capital additions. He highlighted the footnote on unrealized gains on investments.

12. General management report (presenter: Jason Frisbie)

Mr. Frisbie discussed the remaining Integrated Resource Plan presentations and a future presentation on the organizational structure to make sure the divisions are aligned as we recruit to fill a senior leader position opening. He also discussed an issue that occurred at the Trapper Mine in Craig, Colorado.

Roundtable and strategic discussion topics

Directors provided updates from their individual communities.

Adjournment

With no further business, the meeting adjourned at 11:52 a.m. The next regular board meeting is scheduled for Thursday, Sept. 26, 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 26 day of September, 2024.


Secretary

Adopted: Sept. 26, 2024
Vote: 7-0

