

## Regular meeting minutes of the board of directors

2000 E. Horsetooth Road, Fort Collins, CO  
Thursday, Oct. 31, 2024

### Attendance

#### Board members

Representing Estes Park: Mayor Gary Hall and Reuben Bergsten<sup>1</sup>  
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)  
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)  
Jason Harris (senior manager, financial reporting and budget)  
Libby Clark (director, human resources and safety)  
Paul Davis (manager, distributed energy resources)  
Pat Connors (director, portfolio strategy and integration)  
Travis Hunter (director, power generation)  
Kendal Perez (manager, strategic communications and community relations)  
Javier Camacho (director, public/external affairs, strategic communications/social marketing)  
Maia Jackson (senior communications and marketing specialist)  
Izzy Smith (communications and marketing specialist)  
Hannah Whitley (human resources specialist)

#### Guests

Anna Thigpen (Forvis Mazars)  
Chris Telli (Forvis Mazars)  
Darrell Hahn (Longmont Power and Communications)

### Call to order

Chair Gertig called the meeting to order at 9:00 a.m. A quorum of board members was present

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<sup>1</sup> Attended via Zoom Webinar

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 Sept. 26, 2024
- b. Resolution 11-24: 2025 Rate Tariff Schedules
- c. Resolution 12-24: Community support and involvement policy

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

## Public comment

Chair Gertig opened the general public comment section by reading instructions, noting that time to accommodate each speaker would be divided equitably among in-person members of the public and callers wishing to speak at the start of public comment, but limited to a maximum of three minutes per speaker. One member of the public addressed the board.

## Board action items

### 2. 2024 Forvis Mazars financial audit plan (presenter: Dave Smalley)

Dave Smalley, chief financial officer and deputy general manager, introduced Anna Thigpen and Chris Telli with Forvis Mazars to present the 2024 financial pre-audit letter and audit engagement letter, and highlight the planning and timing of the 2024 annual audit for Platte River's financial statements and defined benefit plan.

Anna Thigpen, audit director with Forvis Mazars, presented the pre-audit letter including the implementation of GASB Statement No. 101, Compensated Absences, effective for year-end 2024.

Chris Telli, partner with Forvis Mazars, summarized the engagement letter, outlining the scope of services, associated fees, and terms and conditions for conducting the audit.

Chair Gertig asked how the audit will evaluate the implementation of the new enterprise resource planning system. Mr. Telli responded that the team will look at the internal controls supporting the financial statements and processes to ensure the numbers from the old process have converted appropriately to the new system. He noted Forvis Mazars will not perform an information technology audit on the system itself.

Director Hall moved to authorize the board chair to sign the 2024 Forvis Mazars audit plan and engagement letter as presented. Director Peck seconded. The motion carried 8-0.

Jason Frisbie, general manager and chief executive officer, let the board know Platte River had not received the Grid Resilience and Innovation Partnerships (GRIP) grant it applied for earlier in the year. He then introduced the Grid Employment Office grant video on a battery storage project in Estes Park. Director Bergsten thanked the staff for all the work put into the GRIP grant effort.

## Management presentations

### 3. Proposed 2025 Strategic Budget – public hearing (presenters: Jason Harris)

Jason Harris, senior manager, financial reporting and budget, reviewed the changes made to the proposed 2025 Strategic Budget since the September board meeting, along with financial results and highlights.

Mr. Frisbie mentioned that the Medicine Bow wind project, which was the first wind project in Platte River's portfolio, will be decommissioned later this year and will not be included in the purchased power budget starting in 2025.

Director Hall asked if it is typical for there to be large shifts in days adjusted liquidity on hand shift from year to year. Mr. Harris responded that it is not typical, and it reflects the capital projects for 2025 that will be funded with the cash on hand. He added that debt financing is included in long-term planning. Mr. Frisbie added the liquidity on hand gives Platte River flexibility in negotiations and allows the finance department to strategically plan before entering the bond market. Dave Smalley, chief financial officer and deputy general manager, noted that using cash on hand is normal for Platte River because most expenditures are constant until we have a large capital project to pay for. Discussion continued among directors and staff regarding days cash on hand and the strategy for maintaining a minimum of 200 days' cash on hand.

Chair Gertig asked how staff will use modeling to predict the unknown market costs. Melie Vincent, chief operating officer, generation, transmission and markets, replied that getting more experience in the Regional Transmission Organization (RTO) market will help in forecasting. She also said stochastic modeling can provide a range of probabilities to use for planning margins. Mr. Frisbie added that the majority of costs were historically known for coal generation, but as Platte River transitions to more renewable energy resources, net costs will fluctuate, and Platte River's future cost planning strategy will have to change.

Director Hall asked what 'wheeling' means. Ms. Vincent responded that wheeling is when other companies pay to use Platte River's transmission system to transfer power.

Chair Gertig stated the proposed 2025 Strategic Budget for Platte River had been delivered to the board of directors in accordance with applicable law. Legal notices were published announcing the proposed 2025 Strategic Budget was available to the public for inspection and

the public hearing would be held October 31 for the board to receive public comment on the proposed Strategic Budget before final adoption by the end of the year.

Chair Gertig declared the public hearing on the proposed 2025 Strategic Budget for Platte River Power Authority open.

No members of the public addressed the board regarding the budget.

Chair Gertig asked if there were any additional comments or questions from the board regarding the proposed budget. There were none.

Chair Gertig closed the public hearing.

#### **4. Utility scale storage request for proposals update (presenter: Pat Connors)**

Pat Connors, director, portfolio strategy and integration, presented an update on the request for proposals seeking 75-100 MW of nameplate four-hour battery energy storage. Platte River plans to finalize the preferred project later in 2024.

Director Marr asked if the batteries will be charged when energy costs are lowest or surplus renewable energy is on the system. Mr. Connors responded that the goal is to charge batteries with surplus renewable energy, but it will depend on what is available when the batteries need to charge. Ms. Vincent added that the market will dictate what generation resources will be dispatched and when, including battery storage. Mr. Frisbie commented on strategic battery placement to maximize system reliability. Discussion ensued among directors and staff about the risks of adding battery storage to the system and the strategy for charging and discharging batteries with the market.

Break (10:50 a.m. - 11:00 a.m.)

#### **5. Rawhide Unit 1 minor outage recap (presenter: Travis Hunter)**

Travis Hunter, director of power generation, provided a summary of the recent Rawhide Unit 1 unscheduled outage, outlining the work completed and additional maintenance performed while the unit was down. Director Hall asked if there is a way to predict the equipment issues from ramping the unit down to minimum load more often. Mr. Hunter responded increased wear on certain pieces of equipment would be predictable from continual monitoring, but not everything can be monitored while the unit is running. Mr. Frisbie added that modifying a unit that was made to run full load at all times and asking it to ramp up and down frequently will cause issues that monitoring cannot prevent. Chair Gertig complimented staff at Rawhide for their commitment to Platte River and the four owner communities every day.

#### **6. Resource commitment and dispatch in an RTO (presenter: Melie Vincent)**

Ms. Vincent provided an overview of fundamentals of operating in an RTO market, including key concepts, resource adequacy, and day-ahead market timeline, and examples of day-ahead

market settlements with key takeaways. Director Marr noted the confusion in the communities about the effective load carrying capability (ELCC) methodology and asked where the ELCC calculation comes from. Ms. Vincent explained that ELCC calculations come from the market and Platte River is waiting for the Southwest Power Pool to provide its loss of load expectation study, specifically for the western area, to provide ELCC numbers. She added that ELCCs are not constant from year to year. Adding more wind and solar resources in a region will push the ELCC percentages down.

Director Hornbacher commented on breaking down the logistics to help people understand the requirements and asked about the solar ELCC provided in the presentation. Ms. Vincent explained that ELCCs for winter months versus summer months can also change depending on if the transmission is firm or not. Mr. Frisbie noted the complication that summer peak output for solar is not the same as the consumption peak, so being able to secure power as solar output decreases but consumption increases also affects the ELCC numbers. Sarah Leonard, general counsel, explained that the equation is based on net peak demand and when the time of peak consumption moves from year to year, this also changes the numbers. Discussion ensued among directors and staff on solar capacity, how battery storage will help bridge the gap between resource availability and peak demand and the need for a diverse portfolio to maintain reliability.

Director Bergsten asked about Platte River's firm gas delivery strategy. Ms. Vincent confirmed there is a meeting scheduled in December for key staff to discuss optimal strategies to solidify gas transportation and other factors for the combustion turbines.

Director Arndt asked how much staff time is dedicated to scheduling the day-ahead resource offers each day in the market. Ms. Vincent described the ability to schedule seven days in advance and being able to adjust each entry the day before to ensure accurate information on resources and fuel prices.

Director Marr commented on the financial impacts of pricing generation resources below cost and selling into the market for a loss. Ms. Vincent responded that pricing generation resources below cost can also negatively impact other entities financially and environmentally within the region.

Chair Gertig discussed the communication opportunity to educate the public on operating in the market. Director Marr commented on operating the gas generation units in the most financially and environmentally efficient way. Mr. Frisbie added that staff plans a series of presentations on operating in the RTO markets for future board meetings.

## Monthly informational reports for September

### 7. Q3 performance dashboard (presenter: Jason Frisbie)

Mr. Frisbie summarized the third quarter performance matrix for reliability, financial sustainability and environmental responsibility.

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

Ms. Leonard mentioned there are no new developments to report for September.

**9. Resource diversification report (presenter: Paul Davis)**

Mr. Davis highlighted the planning and development of the distributed energy resource programs and staff participation at conferences covering advancing technologies. He also provided an update on negotiations with vendors for the distributed energy storage projects within the four owner communities.

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

Ms. Vincent highlighted operating results for September. Warmer temperatures drove owner community demand and energy below budget. Overall net variable cost to serve owner community load was also below budget for the month due to coal generation fuel savings on Rawhide Unit 1. This was slightly offset by higher market purchase volume and pricing. Year to date, owner community demand and energy continue to be below budget and the net variable cost to serve owner community load continues to be below budget.

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

Mr. Smalley recognized the financial team for getting the reports finalized on time after migrating to the new Oracle system. He summarized financial results for September, reflecting a positive change in net position and being at budget operationally for the month due to below-budget operating expenses and above-budget unrealized gains on investments and other income, partially offset by below-budget revenues. Year to date, change in net position is favorable by \$9.1 million due to above-budget unrealized gains on investments. Revenues remain below budget due to owner community revenues being below budget. He mentioned that sustained lower loads will impact future load forecasting and will be addressed during rates discussions with owner community staff. He highlighted that capital additions are above budget due to the downpayment for the aeroderivative turbines.

Chair Gertig commented on the variables to consider when forecasting future load growth when current demand and energy have been below budget. Mr. Smalley responded that load forecasting is in Ms. Vincent's department and the team will analyze the impacts to load growth while factoring in electrification, energy efficiency, weather and other considerations.

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

Mr. Frisbie discussed the recent reorganization to Platte River's internal reporting structure, invited board members to the holiday employee appreciation party and thanked Director Dave Hornbacher for his time and commitment to Platte River and the board of directors. Directors shared their appreciation for his contributions to Platte River.

## Roundtable and strategic discussion topics

Directors provided updates from their individual communities.

## Adjournment

With no further business, the meeting adjourned at 11:50 a.m. The next regular board meeting is scheduled for Thursday, Dec. 12, 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 12 day of December, 2024.

  
Secretary

Adopted: Dec. 12, 2024  
Vote: 8-0

