

## Regular meeting minutes of the board of directors

2000 E. Horsetooth Road, Fort Collins, CO  
Thursday, Dec. 12, 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 Darrell Hahn  
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 power supply officer)  
Eddie Gutiérrez (chief strategy officer)  
Travis Hunter (chief generation and transmission 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)  
Kendal Perez (manager, strategic communications and community relations)  
Maia Jackson (senior communications and marketing specialist)  
Darren Buck (director, power delivery)  
Staci Sears (senior manager, human resources)  
Leigh Gibson (senior external affairs specialist)

#### 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 Oct. 31, 2024
- b. Resolution 13-24: 2025 proposed board of directors regular meeting schedule

Director Hall moved to approve the consent agenda as presented. Director Marsh 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. Ten members of the public addressed the board.

## Committee report

### 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 retirement committee report from the Oct. 31, 2024 meeting.

Mr. Smalley stated that the plan's investment consultant, Northern Trust, reported on the plan's performance for the quarter ending September 2024, highlighting that assets increased \$6.6 million, as positive market returns and contributions exceeded benefit payments. For the quarter, the portfolio returned 6.4%, while the plan's benchmark increased 6.9%. Year to date, the portfolio returned 12%; the plan's long-term return target is 7.5%.

Mr. Smalley also commented on staff working through a request for proposal process for selecting new investment consulting services based on direction from the retirement committee. After a thorough evaluation process, staff selected Russell Investments as the finalist for committee consideration. During the committee meeting, Russell staff provided an overview of their firm's qualifications and discussed their approach for managing the plan's investment portfolio. The committee approved Russell Investments as the new investment consultant and directed staff to move forward with contract negotiations.

The next committee meeting is scheduled for Feb. 27, 2025.

Mr. Smalley added that, with the departure of Dave Hornbacher from the board of directors, a vacancy on the committee needs to be filled and staff recommends the committee appoint Darrell Hahn.

**a. Defined Benefit Plan committee appointment**

Director Peck moved to approve Resolution 14-24: Appointment of Darrell Hahn to the Defined Benefit Plan committee as presented. Director Bergsten seconded. The motion carried 8-0.

## **Board action items**

**3. 2025 Strategic Budget review and adoption (presenter: Shelley Nywall)**

Shelley Nywall, director of finance, reviewed changes to the budget since the October public hearing, overall financial results and highlights for the proposed 2025 Strategic Budget.

Director Hall commented on generational decision making and will support the proposed 2025 Strategic Budget. Chair Gertig complimented staff for a well-documented process throughout the Integrated Resource Plan (IRP) that supports the proposed 2025 Strategic Budget.

Director Peck made a motion to direct staff to remove the dispatchable resource payments and have the National Renewable Energy Laboratory conduct an external review of the IRP. The motion did not receive a second.

Director Bergsten moved to approve Resolution 15-24: 2025 Strategic Budget as presented. Director Marr seconded. The motion carried 8-0.

## **Management presentations**

**4. Extending the Organic Contract and Power Supply Agreement revisions (presenters: Sarah Leonard and Dave Smalley)**

Sarah Leonard, general counsel, provided an overview of the Organic Contract among the four owner communities. She mentioned that since the board approved the Resource Diversification Policy in 2018, and energy policy and technology continue to evolve rapidly, now is a good time for all signatories to explore how the Organic Contract for the owner communities and the Power Supply Agreements (PSAs) between Platte River and each owner community might better support changing needs and priorities.

Mr. Smalley provided an overview of the PSAs, which are the bilateral agreements between Platte River and each owner community, and how they relate to general power bond resolution requirements. He mentioned that the PSAs provide security for bondholders. He noted Platte River plans to issue new power revenue bonds, beginning in 2026, to fund necessary infrastructure investments. So, extending the terms of our core documents would be a positive signal to potential bondholders.

Mr. Smalley outlined the approach to extend terms and timing of approval from owner community councils. He recommended Platte River's board approve any changes by the September board meeting.

Director Marr asked how the 1% exception will evolve with resource diversification and integration. Mr. Smalley shared that expanding the 1% exception would create issues in planning and efficiency and can create cross-subsidies among the owner communities. Director Arndt asked to clarify how customer generation, as part of Distributed Energy Resource self-generation, will be included in the 1% exception. Mr. Smalley clarified that customer generation has never been precluded, but for a city to supply its own power is covered under the 1% exception rule. Jason Frisbie, general manager/CEO, added that Platte River is able to take advantage of economies of scale with utility-scale projects to keep costs lower than individual small-scale projects. Discussion ensued among directors and staff on working together as a whole to provide reliable energy while memorializing the board's direction through the energy transition and working toward shared goals.

Chair Gertig suggested a cross-functional, collaborative team approach to work on the project due to the aggressive approval schedule. Mr. Frisbie noted working with the city managers on this timeline also. Director Bergsten asked how long the extension should be. Mr. Frisbie responded that staff would like to extend the agreements by at least ten years.

Break (10:25 a.m. - 10:39 a.m.)

## **5. Transmission planning strategy in an RTO (presenter: Darren Buck)**

Darren Buck, director of power supply, provided an overview of transmission planning, historic planning principles, congestion management and planning for entering the Southwest Power Pool (SPP) Regional Transmission Organization (RTO).

Director Bergsten asked if capacity rights come with maintenance obligations. Mr. Buck responded yes, depending on the different capacity rights on various lines, the percentage splits of ownership require the capacity owners to also budget for maintenance costs. Typically the owner that built the line coordinates the maintenance. Director Bergsten asked if the Western Area Power Administration (WAPA) will join the market. Mr. Buck responded only certain projects within WAPA will participate, like the Loveland Area Projects, but not WAPA as a whole.

Director Hahn asked if the costs associated with generation and transmission reflect actual renewable energy costs or are they manipulated to be dispatched first. Staff responded that because energy dispatch order is based on variable costs, not total resource costs, there is no manipulation in the dispatch priority of renewable resources.

Chair Gertig highlighted the complexities with the transmission system and how planning will impact placement of future generation throughout the region.

## **6. Transmission operations and costs in an RTO (presenter: Melie Vincent)**

Melie Vincent, chief power supply officer, provided a comparison of how transmission management is handled today versus how an RTO manages transmission operations, along with explaining cost allocation practices, charge types, settlements and congestion rights.

Director Hall asked if new market participants will have to pay for current SPP participant infrastructure additions previously agreed upon before joining the market. Ms. Vincent responded the participants will pay only towards new infrastructure. Mr. Frisbie pointed out the interconnection line from the Roundhouse Wind project to the Rawhide Substation would be a good example of independent infrastructure additions that participants in SPP would not pay towards because only Platte River uses it.

Director Hall asked why there is no market in the southeast. Ms. Vincent responded there are few utilities in that region and they have large market power, so a formal market may make less sense. Mr. Frisbie discussed the markets in the west and building infrastructure to connect the markets. Discussion ensued among directors and staff regarding market constructs, costs related to transmission, market governance and the efforts to bring a market to Platte River's territory in the western region.

## Management reports

### 7. Benefits update (presenter: Libby Clark)

Libby Clark, director of human resources and safety, summarized accomplishments completed in 2024 within the multi-year effort to modernize and enhance Platte River's total rewards program, including additional offerings to employees and families.

### 8. Economic development policy – direct community support (presenter: Angela Walsh)

Angela Walsh, executive director of board and administration, presented the board-requested changes to the economic development payment policy to offer more flexibility to fund direct community support.

## Monthly informational reports for October

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

Ms. Leonard highlighted the progress on the SPP RTO West filings with Federal Energy Regulatory Commission, the Municipal Energy Agency of Nebraska complaint challenging Colorado's Power Pathway proceedings and SPP's petition for a declaratory order on tariff provisions for conflicts with state laws.

### 10. Resource diversification report

Skipped

### 11. Operating report (presenter: Melie Vincent)

Ms. Vincent highlighted operating results for October and year to date. Mild temperatures during

October left owner community demand near budget, while owner community energy was below budget. Year to date, owner community demand and energy continue to be below budget. The overall net variable cost to serve owner community load in October was below budget due to higher bilateral sales volume and pricing, offset by higher coal generation volume and pricing on the Craig units. Year to date, the net variable cost to serve owner community load is also below budget.

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

Mr. Smalley highlighted financial results for October and year to date. Change in net position for October was favorable by \$2 million, reflecting above-budget revenues and at-budget operating expenses. He noted two items that were recognized in October: revenues from the previously separate long-haul fiber account and \$1.1 million in unrealized loss on investments. Year to date, change in net position of \$31.7 million was favorable by \$11.1 million compared to budget, primarily due to below-budget operating expenses and above-budget other income and unrealized gains on investments, partially offset by below-budget revenues.

Director Bergsten asked if 2024 was the last year to defer revenues. Mr. Smalley clarified that Platte River will be able to defer revenues in 2025 but not after.

### **13. General management report (presenter: Jason Frisbie)**

Mr. Frisbie highlighted the communications, marketing and external affairs section of the report, as well as Chief Technology Officer interviews. He mentioned that staff will revamp monthly reports to reflect the current structure of the organization. He recognized and thanked Kevin Gertig for his time in public service and his dedication serving on the Platte River Board of Directors. Chair Gertig expressed parting wishes and gratitude to Platte River and the board.

## **Roundtable and strategic discussion topics**

Directors provided updates from their individual communities.



# Platte River Power Authority

Estes Park • Fort Collins • Longmont • Loveland

## Adjournment

With no further business, the meeting adjourned at 12:14 p.m. The next regular board meeting is scheduled for Thursday, Feb. 27, 2025, 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 27 day of February, 2025.

  
Secretary

Adopted: Feb. 27, 2025  
Vote: 8-0

