



Utilities – Energy Board
700 Wood St.
PO Box 580
Fort Collins, CO 80522
970.221.6702
970.416.2208 - fax
fcgov.com

MEMORANDUM

DATE: September 8, 2025

TO: Mayor Arndt and City Councilmembers

FROM: Brian Smith, Energy Board Chairperson

RE: Extension of Platte River’s Organic Contract & Power Supply Agreement

BACKGROUND

During our regular meeting on July 10, 2025, the Fort Collins Energy Board received an update from Fort Collins Light & Power Director Travis Walker regarding the proposed extension of the Organic Contract and Power Supply Agreement, which would move the current end dates from 2060 to 2075.

ENERGY BOARD DUTIES AND FUNCTIONS

The Energy Board has considered the proposed extension of the Organic Contract and Power Supply Agreement as presented by staff in accordance with our chartered duties and functions, specifically:

- (2) To advise the City Council and staff in developing City policies that encourage the incorporation of energy conservation and efficiency, carbon emissions reduction and renewable energy into the development and provision of City utility services, the design and construction of City transportation projects, and the way in which the City impacts the overall built environment within the community;
- (3) To advise the City Council and staff regarding the alignment of energy programs and policies with City, ratepayer and community values and service delivery expectations.

OBSERVATIONS

- **Enhanced Flexibility for Renewable Integration:** The proposed extension provides PRPA with the long-term stability necessary to invest in renewable energy infrastructure, including solar and battery storage systems, which are essential for meeting the city's renewable energy targets.
- **Governance and Operational Modernization:** Updates to the Organic Contract and Power Supply Agreement include modernizing governance structures and incorporating language that accommodates emerging technologies such as distributed energy resources and virtual power plants, ensuring the agreements remain relevant in a rapidly evolving energy landscape.
- **Financial Planning and Bonding Capacity:** Extending the agreements supports PRPA's financial planning, including the ability to issue bonds for infrastructure investments, there-



by facilitating the necessary capital expenditures to modernize the energy grid and integrate renewable energy sources.

- **Regional Collaboration and Policy Alignment:** The extension reflects ongoing collaboration among owner communities, ensuring consistency in energy policy and joint efforts to achieve shared sustainability and renewable energy goals.
- **Limits on Fort Collins Utilities and Residential Generation:** The Power Supply Agreement places limits on Fort Collins Utilities electricity generation to 1% of peak load and purchase from retail customers of off-premises generation limited to “the customer’s annual average electricity consumption,” except by PRPA consent. These provisions invite examination and have brought some stakeholder concerns, especially in view of the nearly 50-year term of the agreement. We note that while the energy landscape will certainly change over the term of the agreement, we do not envision circumstances where it would benefit the community to directly compete with PRPA by generating a significant proportion of consumed electricity from new City-owned infrastructure. Likewise, the explicit support in the agreement of on-premises electricity generation and storage by retail customers, as well as VPP participation, help address these concerns. Finally, we note the following language committing PRPA to engage in good faith discussions regarding unforeseen increases in Fort Collins’ electricity generation: “Platte River commits that it will meet with Fort Collins to discuss in good faith an increase in the total rated capacity limit.”

RECOMMENDATIONS

Given the benefits and advantages of extending the end dates and considering the mutually beneficial and well-established partnership between the City of Fort Collins, the Platte River Power Authority, and our fellow owner communities, the Energy Board recommends supporting the proposed extension. In doing so, the Board emphasizes the importance of ensuring that PRPA continues to prioritize system reliability, accelerate the transition to renewable energy resources, and maintain its commitment to reducing carbon emissions in line with Fort Collins’ Our Climate Future goals. The Board believes that advancing the contract extension in tandem with these priorities will reaffirm the community’s values and long-term energy and climate goals.

As always, the Energy Board is grateful for the opportunity to provide comment and appreciates City Council’s consideration.

Respectfully submitted on behalf of the Energy Board,

DocuSigned by:

A handwritten signature in black ink, appearing to read "Brian Smith", written over a horizontal line.

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Brian Preston Smith, Energy Board Chairperson
Energy Board

cc: Brian Tholl, Energy Services Director
Travis Walker, Light & Power Director
Christie Fredrickson, Energy Board Support