

AGENDA

CITY OF FORT COLLINS • BOARDS AND COMMISSIONS



ENERGY BOARD

REGULAR MEETING

December 14, 2023 – 5:30 pm
222 Laporte Ave – Colorado Room
Zoom – See Link Below

Participation for this Energy Board Meeting will be in person in the Colorado Room at 222 Laporte Ave.

You may also join online via Zoom, using this link: <https://fcgov.zoom.us/j/96707441862>

Online Public Participation:

The meeting will be available to join beginning at **5:15 pm, December 14, 2023**. Participants should try to sign in prior to the 5:30 pm meeting start time, if possible. For public comments, the Chair will ask participants to click the “Raise Hand” button to indicate you would like to speak at that time. Staff will moderate the Zoom session to ensure all participants have an opportunity to address the Board or Commission.

To participate:

- Use a laptop, computer, or internet-enabled smartphone. (Using earphones with a microphone will greatly improve your audio).
- You need to have access to the internet.
- **Keep yourself on muted status.**

1. **[5:30]** CALL MEETING TO ORDER
2. **[5:30]** PUBLIC COMMENT
3. **[5:35]** APPROVAL OF NOVEMBER 9, 2023 MINUTES
4. **[5:45]** PURPA FERC RULING ON MUST CONSIDER LANGUAGE (Decision, 30 Min.)
John Phelan, Energy Services Manager & Energy Policy Advisor
Cyril Vidergar, Assistant City Attorney II
5. **[6:15]** DISCUSSION OF PLATTE RIVER’S NATURAL GAS PLANT (Discussion, 45 Min.)
6. **[7:00]** DRAFT 2023 ANNUAL REPORT (Discussion, 30 Min.)
7. **[7:30]** BOARD MEMBER REPORTS (5 min.)
8. **[7:35]** FUTURE AGENDA REVIEW (5 min.)
9. **[7:40]** ADJOURNMENT

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ENERGY BOARD

November 9, 2023 – 5:30 pm
222 Laporte Ave – Colorado Room

ROLL CALL

Board Members Present: Bill Althouse, Thomas Loran, Marge Moore, Alan Braslau, Jeremy Giovando, Bill Becker, Stephen Tenbrink

Board Members Absent: Vanessa Paul, Brian Smith

OTHERS PRESENT

Staff Members Present: Christie Fredrickson, Phillip Amaya, Kendall Minor, Cyril Vidergar, John Phelan,
Members of the Public: Sonia Koetting

MEETING CALLED TO ORDER

Chairperson Tenbrink called the meeting to order at 5:30 pm.

ANNOUNCEMENTS & AGENDA CHANGES

None.

PUBLIC COMMENT

None.

APPROVAL OF MINUTES

In preparation for the meeting, board members submitted amendments via email for the October 12, 2023, minutes. The minutes were approved as amended.

STAFF REPORTS

Mr. Phelan advised of an ongoing issue at the Riverside Community Solar Garden, the project has been down since August due to an issue with the inverter. Staff has been communicating the issues with participating customers, as well as working with Schneider Electric to try and identify and remedy the problem.

EXECUTIVE DIRECTOR'S UPDATE

Kendall Minor, Utilities Executive Director

Mr. Minor gave an update on the Customer Information System; he reminded the Board that the City has been involved in lawsuit with the previous CIS vendor, Open International. The judge presiding over the case recently ruled in favor of the City, and there will be a hearing to determine the judgment. Open International said they plan to appeal, so the case will be ongoing.

Mr. Minor thanked and congratulated Mr. Amaya on his one-year anniversary with the City and spend some time thanking Mr. Phelan for his many years of service ahead of his retirement next month.

Light & Power's Safety Supervisor position remains unfilled, but the posting is still open while staff

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continue to search for the right candidate.

Financially, Mr. Minor said things are going well overall, though there has been some overuse of the Operations & Maintenance fund. He explained that there has not been as much growth as anticipated due to higher interest rates, slower development and construction; but the community has also had a mild year in weather so purchased power costs are also down. The bond issuance for Light & Power and Connexion was also recently completed.

Mr. Amaya and Light & Power staff have been working very hard on the Capital Improvement Plan, which is a robust 10-year plan.

Board member Becker wondered if staff or Council has received much feedback on the rate increase that was recently passed. Mr. Minor said he has not heard much feedback; he said the monthly rate increase amounts to \$4-5.00 a month and the Utility remains one of the lowest rates in the state.

The Meter Data Management System upgrade has been going well, though it is slightly delayed (just a few weeks) until shortly after the new year. The vendor needed some extra time to work with the integration of some of the Utility's databases.

There have been some challenges with electric and water meters this year due to supply chain issues with Honeywell (the meter vendor). This has caused a lot of manual meter reads until the malfunctioning or older meters can be replaced.

Board members discussed Platte River's entry into a regional market as well as their Integrated Resources Plan and how it will interact with the Utility's Distributed Energy Resources Management System. Staff advised that in many of the Board's discussion points, the technology might exist, but the cost or the existing infrastructure may be prohibitive. Mr. Minor said while the Utility does have a robust roadmap to reach many of these milestones, he is always open to hearing new ideas and talking through things that work for other communities, but the ratepayers will always come first. Board member Braslau said the Energy Board to push for new ideas and innovation even if the City is a small player in the bigger picture. Mr. Minor agreed and thanked the Board.

Board member Moore asked if staff has seen much about vertical-axis wind turbines, which are potentially a good alternative to more traditional horizontal-axis turbines.

DISCUSSION TO IDENTIFY QUESTIONS FOR PLATTE RIVER

Board member Braslau feels that Platte River is investing in a natural gas turbine to satisfy a regional market requirement to have 20% excess peak hourly capacity. He wondered if the gas line would be running all the time to sell into the market. Mr. Phelan said Mr. Braslau's resource planning assumptions are correct; from that perspective nothing has changed. The combustion turbine will be an aero-derivative combustion turbine, which is a gas- or hydrogen-fueled jet-type engine that starts up and stops fast, allowing it to be quickly accessed when solar and wind sources aren't producing enough.

Mr. Phelan added the existing combustion turbines are reliability peak assets and they hardly ever run, but the communities pay their share for them whether they run or not. Mr. Braslau said his concern is that the IRP modeling is based on the financial model of what makes the power less expensive for ratepayers is that will be selling generation; he would like to know what the alternatives are, like investing in more wind, solar, etc.

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Board member said more importantly it comes down to what the market is going to buy, not so much what is going to be generated. Mr. Loran would like Platte River to confirm that a renewable resource is always going to be less expensive than a carbon-based resource, so in theory in a market environment, that should keep Platte River from generating and selling a non-carbon resource. Mr. Phelan said Platte River is in a tough spot because they don't have all the market moves, and they can't take their resource planning model and use it for a different purpose, such as operations. He doesn't know if there is something better out there and would like to ask what tools can be brought to the table to see how this might run in the future.

Board member Becker would like additional clarification on the market capacity requirements; markets are built to separate generation from consumption, and it seems to him that those two cannot go together. Board member Loran agreed, he provided a list of questions to the Board he hopes Platte River may be able to answer, and explaining resource adequacy was one of them. City staff agreed that would be a great question for Platte River to work through with staff and the Board.

Board members discussed the questions Mr. Loran had provided and will refine the details before the Platte River is able to attend a future Board meeting.

APPROVE 2024 WORK PLAN

Board member Braslau moved to approve the 2024 Energy Board Work Plan with proposed edits. Board Moore seconded the motion.

Discussion:

None

It passed unanimously, 7-0, with two absent.

BOARD MEMBER REPORTS

Board member Braslau said the Historic Preservation Commission is also working on their work plan, and he noticed one of their goals is to work on the energy impact of historic buildings.

Board member Althouse has been monitoring the Economic Advisory Board, who has been discussing the idea of a circular economy. He used the example of local resources, if Platte River utilizes more local resources from prosumers (as opposed to natural gas, for example), that money goes into the pockets of local consumers, and then it can be circulated back into the economy.

Chairperson Tenbrink said he is helping lead a project at his church, which recently installed 100KW solar system, and they are working to convert all their natural gas to heat pumps. He will report back to the board as the project progresses.

FUTURE AGENDA REVIEW

Staff will invite Platte River to the December meeting. If they are unable to attend the Board would like to defer the discussion to a later date so that they can have a thorough question and answer session with Platte River staff. The Board will also hear a brief follow up presentation about PURPA Section 111 "Shall Consider" Standards for the 2021 IJA's demand flexibility and electric vehicles.

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ADJOURNMENT

The Energy Board adjourned at 7:47 pm.

DRAFT



PURPA “Shall Consider” Standards

Fort Collins Energy Board – December 14, 2023

John Phelan, Energy Services Manager

Cyril Vidergar, Assistant City Attorney

Background

PURPA Section 111 requirements and history

Changes with 2021 Infrastructure Investment and Jobs Act (IIJA)

Steps to comply with requirements

Fort Collins Utilities current alignment with new sections

Public hearing motion

- Designed to promote conservation and efficiency
 - Initially in response to energy crises of the 1970's
 - Commonly known for encouraging small independent power production
 - Encourage conservation, efficiency, equitable rates via “standards”
 - Original standards – cost of service; declining block, time-of-day, seasonal and interruptible rates; load management
 - 1992 – Integrated resource planning, conservation & demand management, efficient power supply
 - 2005 – net metering, generation efficiency, time-based metering, interconnection
 - 2007 – rate design, smart grid
 - **2021 via IJA – demand flexibility and electric vehicles**

PURPA 111(d) Standards Enacted Over the Years

PURPA 1978	EPAAct 1992	EPAAct 2005	EISA 2007	IJA 2021
Cost of Service	Integrated Resource Planning	Net Metering	Integrated Resource Planning (Energy Efficiency)	Demand response and flexibility
Declining Block rates	Investments in Conservation and Demand Management	Fuel Sources	Rate Design Modifications to Promote Energy Efficiency Investments	Electric vehicle charging
Time-of-day Rates	Energy Efficiency Investments in Power Generation and Supply	Fossil Fuel Generation Efficiency	Consideration of Smart Grid Investments	
Seasonal Rates	Effects of Wholesale Power Purchases on Utility Cost of Capital	Time-based Metering and Communications	Smart Grid Information	
Interruptible Rates	Effects of Leveraged Capital Structures on the Reliability of Wholesale Power Sellers	Interconnection		
Load Management Techniques	Assurance of Adequate Fuel Supplies			

- Commence consideration with public notice
 - Energy Board motion November 10, 2022
- Public hearing
 - Energy Board meeting (December 14, 2023)
 - Recommendation to City Council to accept staff determination

- **Implications of Recent Amendments through the IIJA to the Public Utility Regulatory Policies Act of 1978 (“PURPA”).**
- **Action required; nonregulated entities:**
 - “Shall consider” two, new standards and “make a determination” concerning implementation of such standards.

- **More specifically, Section 111(a) of PURPA, 16 U.S.C. 2621 states:**

“Each State regulatory authority (with respect to each electric utility for which it has ratemaking authority) and each *nonregulated electric utility shall consider* each standard established by subsection (d) and *make a determination* concerning whether or not it is appropriate to implement such standard to carry out the purposes of this title. For purposes of consideration and determination . . . the purposes of this title supplement otherwise applicable State law. Nothing in this subsection prohibits any State regulatory authority or nonregulated electric utility from making any determination that it is not appropriate to implement such standard, pursuant to its authority under otherwise applicable State law” (emphasis added).

- “Shall consider” language
 - Demand response and flexibility
 - Shall promote the use of demand response and flexibility practices
 - May establish rate mechanisms for the recovery of costs for demand response and flexibility
 - Electric vehicle charging
 - Shall consider measures to promote greater electrification of the transportation sector, including establishing rates that:
 - Promote EV charging options
 - Improve the customer experience with EV charging
 - Accelerate 3rd party investment in EV charging
 - Appropriately recover the marginal costs of delivering electricity to EVs and EV charging infrastructure

- Rate design for demand response and flexibility
 - *Shall promote the use of demand response and flexibility practices, and*
 - *May establish rate mechanisms for the recovery of costs for demand response and flexibility*
 - Fort Collins
 - Residential time-of-day rates structurally support demand response and flexibility with associated bill benefits for customers
 - Commercial coincident peak rates structurally support demand response and flexibility with associated bill benefits for customers
 - Peak Partners program provides multiple mechanisms for customer participation in demand response
 - Cost of service studies are completed every two years to maintain alignment between new load shapes, behavior, capital planning and operations

- Rate design for electric vehicle charging
 - *Shall consider measures to promote greater electrification of the transportation sector, including establishing rates that:*
 - *Promote EV charging options*
 - *Improve the customer experience with EV charging*
 - *Accelerate 3rd party investment in EV charging*
 - *Appropriately recover the marginal costs of delivering electricity to EVs and EV charging infrastructure*
 - Fort Collins
 - Residential time-of-day rates structurally support lower cost EV charging with associated bill benefits for customers
 - City EV Readiness Roadmap (to be updated 2024) has a core objective of improving the customer experience with EV charging
 - City building codes incorporate EV charging requirements for single family, multifamily and commercial development
 - Peak Partners EV charging program supports optimized charging for customers
 - Cost of service studies are completed every two years to maintain alignment between new load shapes, behavior, capital planning and operations

1. STAFF RECOMMENDATION REGARDING HISTORIC STANDARDS in Section 111 (d) (11)-(19): Staff recommends City Council maintain current City Electric Utility polices related to those PURPA Art. I standards set forth in Section 111 (d) (11)-(19), 16 U.S.C. 2621, as amended by the Energy Policy Act of 2005 and Energy Independence and Security Act of 2007, including policies relating to net metering, time-of-day rates, renewable energy incentives, renewable energy resource integration, and interconnection standards, as amended by Council Ordinances No. 056, 2009; No. 003, 2010; No. 074, 2013; Nos. 053 and 163, 2018; No.125, 2019; No. 139, 2020; and No. 149, 2021.

2. STAFF RECOMMENDATION REGARDING STANDARD in Section 111 (d) (20): Utilities staff conducted a comparison of existing City electric utility rates and standards with the updated EAct standards, finding the City's electric utility operations comport with the goals of and demonstrate compliance with the updated demand response standards, determining that separately adopting the EAct standards is not in the best interest of City electric utility ratepayers as it may be duplicative and interfere with current benefits received by ratepayers.

3. STAFF RECOMMENDATION REGARDING STANDARD in Section 111 (d) (21): Utilities staff conducted a comparison of existing City electric utility rates and standards with the updated EAct standards, finding the City's electric utility operations comport with the goals of and demonstrate sufficient compliance with updated electric vehicle charging standards, determining that separately adopting the EAct standards , including shifting how marginal costs are recovered under existing rate schedules, is not in the best interest of City electric utility ratepayers as it may be duplicative and interfere with current ratepayer incentives.

Based upon the above information:

- The Energy Board recommends that Council adopt by resolution the staff recommendations that:
 1. Recognize past actions related to PURPA Article 1 standards;
 2. Determine that separate adoption of the EPCAct standards for demand response and electric vehicle charging is not in the best interest of City electric utility ratepayers



THANK YOU!

