Date: **Wednesday, February 12, 2025**
Time: **6:00 PM**
Location: **Hybrid: In-Person, Hearing Room, 1st Floor, 200 West Oak Street, Fort Collins or Virtual, Zoom link - https://larimer-org.zoom.us/webinar/register/WN_-2Y1enk_Q-iv0lX8w7NQ5w**

PLANNING COMMISSION SPECIAL HEARING MINUTES

The Larimer County Planning Commission met in the Hearing Room as well as virtually by Zoom video at 6:00 p.m., on Wednesday, February 12, 2025, at which time the following business was transacted.

Board Members Present: Patrick Rowe, Lisa Chollet, Conor Duffy, Jordana Barrack, Jon Slutsky, Shelby King, Nick Casady, Jon Weiss, and Adam Eggelston.

Staff Present: Jenny Axmacher, Planning Manager; Shalana Lysaght, Business Operations Supervisor; Kassidee For, Senior Planner; Scott Benton, Environmental planner; Danielle Reimanis, Planner I; Traci Shambo, Senior Civil Engineer; Steven Rothwell, Civil Engineer II; Lea Schnieder, Environmental Health Planner; Christine Luckasen, Assistant County Attorney I; Melissa Bruski, CIRT; Ryane Oswandel, CIRT; and Christina Scrutchins, Recording Secretary.

AMENDMENTS TO THE AGENDA

None.

COMMENTS BY THE PUBLIC REGARDING THE COUNTY LAND USE CODE OR REGARDING OTHER RELEVANT LAND USE MATTERS NOT ON THE AGENDA OR FUTURE PROPOSALS

None.

CONSENT ITEMS

ITEM NO. 1 – JOHNSTOWN 1041 RAW WATER PIPELINE, FILE NO. 24-ZONE3722

Commissioner Weiss requested consent item Johnstown 1041 Raw Water Pipeline, File No. 24-ZONE3722 be moved from the consent items to a discussion item.

DISCUSSION ITEMS

ITEM NO. 1 – PLATTE RIVER POWER AUTHORITY RAWHIDE 1041 PERMIT, FILE NO. 24-ZONE3715

View Staff Presentation

APPLICANTS PRESENTATION

View Applicants Presentation

PLANNING COMMISSION, STAFF, AND APPLICANTS' COMMENTS

The Commission inquired about the presence of an environmental impact report within the staff report. Staff

clarified that while no specific Environmental Impact Statement (EIS) is included, environmental considerations are addressed through Article 4 of the Larimer County Land Use Code, including Sections 4.4.1 and 4.4.2, which cover wetland and wildlife impacts. Planning Manager Axmacher noted that an EIS is a federal requirement under the National Environmental Policy Act and suggested that the applicant clarify why it was not triggered in this case.

The Commission requested clarification on the distinction between the hazardous materials upgrade in the applicant's plan and the hazardous material impact analysis noted as a condition of approval. Staff explained that the applicant submitted a hazard mitigation plan with the original submittal and will provide additional details during the technical review stage. It was clarified that the plan outlines response measures for incidents, while the impact analysis provides a more detailed assessment of potential impacts. The Environmental Health Planner added that an updated plan is being requested to address spill response, materials on-site, safety measures, and revisions based on new site conditions, with updates to be incorporated into the technical review process.

The Commission inquired about the reference to "Unit One," which the applicant confirmed as the single 280-megawatt coal-fired unit at Rawhide, scheduled for retirement by the end of 2029.

The applicant stated that the new turbines are designed for a 30-year lifespan but can be maintained indefinitely with proper upgrades. When asked whether the proposed turbines would operate simultaneously or as needed, the applicant explained that their operation would depend on capacity shortages and other variables. Testing phases will determine operational efficiency, but turbines will primarily function based on demand conditions. The turbines are designed to start and ramp up quickly, reaching full load within minutes. The system also features a clutch mechanism that allows generators to maintain grid stability without active combustion.

Regarding future fuel sources, the applicant noted that the turbines could burn multiple fuels, including diesel, gas, hydrogen, and ammonia. However, the primary challenge is not combustion but the ability to store and transport alternative fuels safely. Hydrogen, in particular, requires specialized infrastructure due to its combustibility and containment challenges. The timeline for hydrogen conversion is still under evaluation, as engineering work and infrastructure development are ongoing.

The Commission inquired about the feasibility of infrastructure upgrades and whether the project relied on federal funding that might be at risk. The applicant confirmed that the project is independent of infrastructure funding and is not at risk.

Financial considerations were also discussed, including the impact on customer rates. The applicant confirmed that wholesale rates have been analyzed and adjusted due to increasing costs in renewable energy and supply chain challenges. Current projections estimate a 6.3% wholesale rate increase for the next 2–3 years, with slight reductions thereafter. Efforts are being made to mitigate rate spikes and maintain affordability.

When asked about transition costs, the applicant stated that without new gas infrastructure, costs would double due to the need for additional energy storage. Evaluations within the Integrated Resource Plan (IRP) considered multiple portfolio scenarios, including reliance on battery storage, which is currently cost-prohibitive for long-term energy gaps. The applicant explained that short-duration battery storage is a viable technology but insufficient to support energy needs during prolonged periods without solar or wind generation.

The Commission inquired about the long-term role of the facility once coal-fired operations cease. The applicant stated that the energy station will remain essential for interconnecting renewable energy sources and supporting grid stability. The site will continue to serve as a critical hub for wind and solar energy, with future considerations for evolving grid technology.

The overlap period between new turbine operations and the retirement of Unit One was also discussed. The applicant confirmed that there will be a roughly two-year overlap for testing but does not anticipate a significant increase in emissions. Testing scenarios will be determined in coordination with the Colorado Department of

Public Health and Environment as part of the air permitting process. The applicant noted that infrastructure limitations would likely prevent simultaneous full-capacity operation of all energy sources.

When asked about the previous commitment to carbon-free energy by 2035, the applicant clarified that while the original goal was set in 2018, achieving 100% carbon-free energy by 2030 is no longer feasible. The updated IRP projects an 80% carbon reduction by 2030, with continued efforts toward full decarbonization by the mid-2040s. Progress depends on advancements in long-duration battery storage, hydrogen infrastructure, and other emerging technologies. While the utility remains committed to reducing emissions, full decarbonization will require further technological developments.

PUBLIC COMMENT

Ed Behan, Leo Grassens, Peggy LaPoint, Nancy York, Megan Bodin, Doug Henderson, Keith Ela, Reuben Bergsten, Kenna Kinneer, Madeline Maher, Michael Foote, Barbara Krupnik-Goldman, Kevin Cross, Scott Denning, Christina Swope, Sam Killmeyer, Cheryl Distaso, Ken Regelson, Sue McFaddin, Sharon Israel, Eleanor Andrews, Bill Althouse, Greg Zoda

Comments

- The project conflicts with PRPA's original commitment to transition to 100% carbon-free energy.
- Opponents argue PRPA is backsliding and not doing enough to explore cleaner alternatives, such as increased battery storage or regional energy market integration.
- Estimated at $350 million, the project will be in service for decades, locking in fossil fuel dependence.
- Concerns that this could become a stranded asset as renewables and energy storage become more viable.
- Increased air pollution and greenhouse gas emissions from burning natural gas, exacerbating local ozone issues in Larimer County.
- Critics argue that even if the plant eventually transitions to hydrogen, hydrogen combustion produces nitrogen oxides (NOx), which harm air quality.
- The Fort Collins area already has some of the worst air quality in Colorado, and adding more fossil fuel infrastructure could worsen public health outcomes.
- PRPA's planning process has been criticized for lack of transparency, with opponents alleging that public input was ignored.
- Requests for third-party oversight from NREL (National Renewable Energy Laboratory) were denied, raising concerns about bias in PRPA's studies.
- Skepticism that the turbines will only be used as a backup; critics believe they may be operated regularly to sell power to external utilities, increasing emissions.
- PRPA's current gas turbines have been run on high ozone days to generate excess power for sale, raising concerns that new turbines will follow the same pattern.
- Opponents argue that expanding battery storage, virtual power plants, or grid integration with the Southwest Power Pool (SPP) would be better solutions.
- Some advocate for community solar, EV battery storage, and microgrids as more sustainable and forward-thinking options.
- PRPA projects a 6.3% annual increase in wholesale energy rates, which could disproportionately impact lower-income residents.

- Alternative models (e.g. Holy Cross Energy in Aspen) have kept rates stable while investing more in renewables.
- Provides a dispatchable energy source to support intermittent renewables, ensuring power stability during dark calm and extreme weather events.
- Aero-derivative turbines ramp up quickly, allowing for immediate energy generation when solar and wind are insufficient.
- Helps prevent blackouts, which could endanger public safety, especially during natural disasters.
- The project allows for the shutdown of Unit One, reducing carbon emissions by transitioning from coal to a cleaner-burning fuel source.
- Seen as a necessary step toward a future fully powered by renewables.
- Serves as a temporary bridge until long-duration energy storage and other emerging technologies become viable.
- PRPA has tripled its renewable portfolio, and this project is viewed as an essential part of integrating renewables while maintaining reliability.
- PRPA already has the transmission and energy infrastructure at Rawhide, making the addition of new turbines more cost-effective than starting from scratch.
- Avoids the need for extensive new infrastructure investments that could delay the transition to renewable energy.
- PRPA must meet the state's 80% carbon reduction goal by 2030, and this project is seen as a crucial step toward compliance.
- The turbines are designed to be hydrogen-compatible, which could further reduce emissions when green hydrogen becomes commercially viable.
- The alternative—depending solely on battery storage or external energy purchases—is not yet feasible due to cost and technology limitations.
- PRPA has conducted rate studies, and this project minimizes potential energy cost spikes for ratepayers.

PLANNING COMMISSION, STAFF, AND APPLICANT DISCUSSION:

The applicant addressed multiple technical topics related to the project, emphasizing the complexity of energy planning and the trade-offs involved. Key points included the Southwest Power Pool (SPP), Effective Load Carrying Capability (ELCC), and Planning Reserve Margins (PRM). The applicant explained that the power grid requires real-time balancing between supply and demand and that utilities must bring enough accredited capacity to ensure reliability while integrating more renewables. The PRM serves as a safety margin, ensuring that enough generation is available even during peak demand or unexpected outages.

The discussion also covered how ELCC determines how much renewable energy can be counted toward this capacity, acknowledging that wind and solar resources have lower ELCC values because of their intermittent nature. The applicant clarified that an example ELCC calculation shown to the board was mistakenly perceived as a revised standard, while the official calculations remain consistent with regional expectations.

SPP's role in managing energy distribution was discussed in depth. The applicant confirmed that while Platte River will retain decision-making control over resource investments, SPP will determine when the new turbines need to run based on grid-wide efficiency and demand. This led to concerns about whether participation in SPP could impact Platte River's commitment to renewable energy goals, particularly if other participants rely more on fossil fuels. The applicant maintained that the transition to SPP will provide tools to enhance renewable energy

integration but acknowledged that it introduces trade-offs.

A significant portion of the discussion centered on air quality and emissions. The applicant reiterated that while the new turbines will increase emissions in the short term during the construction and testing period, they will ultimately result in a net reduction in emissions after the retirement of the coal-fired Rawhide Unit One. The applicant stated that the new gas turbines are among the most efficient available and will be equipped with advanced emission control technologies, including selective catalytic reduction (SCR) for nitrogen oxides (NOx) and oxidation catalysts for volatile organic compounds (VOCs) and carbon monoxide (CO).

Commissioners expressed concerns about Platte River's ability to limit turbine operation on high-ozone days, given that SPP will control dispatch decisions. The applicant clarified that while Platte River can decline operation if emissions exceed permit limitations, it does not have discretionary control to refuse operation solely for air quality considerations. Concerns were raised about the monitoring and prevention of methane leaks, with the applicant stating that leak detection systems will be in place but emphasizing that most emissions from the turbines will be in the form of carbon dioxide rather than unburned methane.

Financial implications were discussed, including the projected rate increases for Platte River customers. The applicant stated that the project is part of a broader multi-billion-dollar investment in energy infrastructure, with costs factored into the projected 6.3% annual wholesale rate increase. Commissioners asked about the cost difference between this project and a scenario where only renewables and storage were used. The applicant noted that a non-gas scenario would have been significantly more expensive, citing an estimated $5 billion cost for a renewables-only approach compared to the $2.8 billion planned investment that includes these turbines.

The necessity of the project was also examined in the context of Platte River's transition away from coal. The applicant confirmed that after Rawhide Unit One retires in 2029, Platte River will not have enough capacity to meet its energy demands without the proposed gas turbines. While battery storage is an option, it would require substantial additional investments and is still subject to ELCC limitations. The applicant stated that without the turbines, Platte River would struggle to meet its resource adequacy requirements under SPP, though commissioners questioned whether alternative investments in renewable capacity and storage could be explored instead.

Commissioners questioned whether delaying the permit would allow for additional data collection and modeling of different operational scenarios. The applicant responded that worst-case emissions scenarios had already been evaluated and that delaying the permit could jeopardize the project timeline, given the need for rigorous testing before the 2029 coal plant retirement. It was also noted that Platte River is still awaiting final ELCC values from SPP for the western region, but internal projections align with the values used in their planning.

In discussing the air quality permit, the applicant confirmed that construction cannot begin without state approval and that a comprehensive air quality management plan will be required. Staff clarified that if Platte River fails to meet the conditions of approval outlined in the permit process, the project would not be able to proceed.

The discussion highlighted the competing priorities of ensuring reliability, minimizing costs, and meeting environmental goals. While the applicant maintained that the new turbines are essential to maintaining grid stability and integrating renewables, commissioners and public commenters raised concerns about long-term fossil fuel dependence, transparency in data sharing, and whether cleaner alternatives could be prioritized. The timeline for permit approval remains a key factor, with the applicant emphasizing that delays could hinder the transition plan for coal retirement.

PLANNING COMMISSION DELIBERATION

The commission engaged in a thoughtful debate, weighing environmental concerns, energy reliability, and financial implications.

Several commissioners voiced concerns about the project's alignment with Larimer County's comprehensive plan, particularly its environmental criteria. They questioned how the proposed gas turbines meet the requirement to improve air quality when emissions will increase in the short term. The lack of direct control over turbine operation under the Southwest Power Pool (SPP) was also a point of concern, particularly on high-ozone days when emissions could exacerbate poor air quality. Commissioners King, Chollet, and Barrack emphasized the importance of holding the utility accountable to clean energy commitments and questioned whether this project is merely a temporary measure that could lead to additional infrastructure investments in the near future.

Other commissioners focused on the need for a stable energy supply. Commissioner Eggleston pointed out that, given current technology limitations, this is the best available solution to ensure power reliability after the coal plant is retired in 2029. He, along with Commissioners Duffy and Rowe, argued that the gas turbines provide the necessary flexibility to support renewable energy integration while avoiding potential blackouts. Duffy stressed that delaying the project could jeopardize energy security, impacting essential services such as hospitals and emergency response.

The financial implications of the project were also discussed. While some commissioners worried about future costs and potential ratepayer burdens, others believed the proposed turbines offer a cost-effective solution compared to alternatives like battery storage, which remain expensive and technologically unproven at scale. Commissioner Barrack raised concerns that ratepayers may ultimately pay twice—once for this infrastructure and again for future upgrades. Meanwhile, Commissioner Slutsky highlighted the long-term climate impact of continued fossil fuel use but acknowledged the necessity of maintaining power for critical community services.

A recurring issue was Platte River Power Authority's refusal to submit to a third-party review of its Integrated Resource Plan (IRP) despite public demand. Commissioners King and Cassidy expressed disappointment in the utility's lack of independent verification, while Weiss suggested that additional data on projected energy demand could strengthen their case. Some commissioners encouraged the utility to take public concerns more seriously and provide clearer information to county commissioners during the next stage of review.

While opinions varied, the majority of commissioners leaned toward approval, citing the necessity of maintaining power reliability and the long-term environmental benefits of replacing coal with a lower-emission alternative. However, dissenting voices remained firm in their belief that approving new fossil fuel infrastructure is a step in the wrong direction for the county's environmental goals. The commission's decision reflects the challenge of balancing urgent energy needs with long-term sustainability commitments.

MOTION

Commissioner Duffy moved that the Planning Commission adopt the following Resolution: BE IT RESOLVED that the Planning Commission recommend that the Board of County Commissioners approve the application for the 1041 permit for the Platte River Power Authority Rawhide 1041 Permit, File No. 24-ZONE3715, subject to the conditions of approval recommended by staff. Commissioner Eggelston seconded the motion. Motion carried (5-4).

ITEM NO. 1 – JOHNSTOWN 1041 RAW WATER PIPELINE, FILE NO. 24-ZONE3722

View Staff Presentation

APPLICANTS PRESENTATION

View Applicants Presentation

PLANNING COMMISSION, STAFF, AND APPLICANT COMMENTS

Commissioner Weiss sought clarification on whether the permit application applied to the entire project or just the portion within Larimer County. Planning staff confirmed that it pertains only to unincorporated Larimer County,

with Weld County handling its own jurisdictional decisions. Commissioner Weiss then inquired about specific locations, such as the railroad crossing, confirming it falls within Larimer County. He also raised concerns about a letter from a property owner stating they would not grant an easement, questioning how Johnstown would proceed if access was denied. The applicant responded that while they do not yet have all necessary easements, they are committed to working with property owners to find mutually agreeable solutions.

The conversation shifted to the railroad crossing, where Commissioner Weiss asked whether Johnstown had secured a commitment letter from the railroad to allow boring beneath the tracks. The applicant admitted they had not yet received formal approval but stated they were in communication with the railroad and did not anticipate issues. Commissioner Weiss pressed further, asking staff if the lack of a commitment letter constituted a red flag for the project. Planner Benton acknowledged that securing all necessary permits and easements is a condition of approval, and failure to do so could halt progress.

Commissioner Barrack introduced a separate topic regarding irrigation ditches and their role in groundwater recharge. He questioned whether the project would require augmentation due to changes in water flow. The applicant stated that no augmentation was anticipated and emphasized that the ditch serves Johnstown Reservoir, an important community amenity. They reassured the commission that maintaining water flow to the reservoir remains a priority.

Further discussion touched on potential commercial impacts, particularly regarding a property at a key intersection in Berthoud. Commissioner Barrack noted that the property owner had raised concerns about the pipeline's impact on future development in the area. Planning staff confirmed that the Town of Berthoud had not submitted comments on the pipeline. The applicant added that they have an established relationship with the property owner and intend to work collaboratively to address concerns.

Overall, the discussion highlighted several unresolved issues, including securing necessary easements and railroad approvals. While the applicant expressed confidence in their ability to resolve these matters, commissioners remained cautious, emphasizing the importance of securing commitments before moving forward.

PUBLIC COMMENT

Morgan Kidder

Comments

- Property Ownership & Affiliation: Represents Point Commercial, LLC and works for Journey Homes, which owns the lot in question.
- Development Experience: Journey Homes has multiple LLCs and has worked with the Town of Johnstown on various developments.
- Easement Objection: The company is not willing to provide an easement at this time.
- Ongoing Conversations: Has had discussions with the town manager and Doug Gossett regarding the issue.
- Expectation of Resolution: Expresses confidence that a resolution can be reached, but for now, maintains the objection as part of negotiations.

PLANNING COMMISSION DISCUSSION:

None.

MOTION

Commissioner Duffy moved that the Planning Commission adopt the following Resolution: BE IT RESOLVED that the Planning Commission recommend that the Board of County Commissioners approve the Johnstown 1041 Raw Water Pipeline, File No. 24-ZONE3722, subject to the conditions of approval outlined in the staff report. Commissioner Weiss seconded the motion. Motion carried (9-0).

REPORT FROM STAFF

Planning Manager Axmacher provided a brief update on upcoming meetings and the implementation of a new public input tool. The commission's next regularly scheduled meeting is set for the following Wednesday, with meeting packets expected to be distributed early the next day.

Axmacher also introduced a new tool designed to gather public comments, explaining that while it has not been fully rolled out, it was utilized for the 1041 permit cases. The tool will be implemented for future cases, and commissioners were encouraged to provide feedback on the updated reports they receive. Axmacher emphasized that any insights from the commissioners would be valuable in refining the tool before broader use.

ADJOURN

With there being no further business, the hearing adjourned at 10:49 p.m.

These minutes constitute the Resolution of the Larimer County Planning Commission for the recommendations contained herein which are hereby certified to the Larimer County Board of Commissioners.