



Boulder's Energy Future Project and Municipalization Exploration Study

Boulder Economic Council
February 21, 2013

www.BoulderEnergyFuture.com

Agenda



- I. The Municipalization Exploration Project and Why It's Important – The Utility of the Future**
- II. Where We Are Now**
- III. Next Steps**
 - 1. Schedule**
 - 2. Key Engagement Points**
 - 3. Council Decision Points**

Municipalization Exploration Project



Objective: To evaluate options for a city-owned electric utility that support community goals and guiding principles, determine whether those options can meet city charter test for municipalization, and to provide City Council with a preferred option(s) and recommendation on whether to proceed with municipalization, or not.

To answer the questions:

- ***Can we municipalize?*** – Meets Charter reqs
- ***Should we municipalize?*** – Adds value

Where We Are Now: Work Plan



Objectives:

- Roadmap for creating Utility of the Future
 - Moving toward a different model of utility services
 - Could take the form of a municipal utility, Xcel partnership or something else.
- Develop options for moving forward
- Gain community support and/or understanding of outcomes (address as many concerns as possible)
- Ensure integrity of the process
- Document process for third-party evaluation

Where We Are Now: Work Plan



Local, regional and national experts enlisted to help with analysis of all work plan areas:

- 50+ community working group volunteers
 - Helped with financial, reliability, resource, decision analysis and communications & engagement
 - Many combined years of electric utility experience in all facets of industry
 - Local entrepreneurs and business owners
 - Federal laboratory scientists and professors
- Expert consultants retained
 - Technical engineers, Modelers, Financial planners, and Legal
 - All highly skilled in electric utility analysis

Formulating Options



What do we mean by an “Option?”

- How and where we get our energy resources
- What business structure meets financial targets
- What assets do we need to serve our community
- What investments do we need to make in electric infrastructure
- How we achieve excellent reliability
- Other components needed to support the community goals

Charter Requirements (not just about metrics)



- Metrics
 - Can we municipalize?
- Governance – envisions broad representation, allows for employees of local businesses and institutions
- General Fund Transfer – Limits established
- Rate Equity – nondiscriminatory and fair distribution of costs among rate classes

Reliability – A Key Concern



- Outages = Lost revenues and headaches for all
- Charter metrics must be met to ensure reliability
 - Must meet or exceed Xcel
 - Must meet NERC and WECC requirements or face penalties
 - 15% reserve margin
- Start-up, capital replacement schedule, emergency response, resources, and O & M costs all factored into analysis
- Met with several large users to hear concerns that were factored into the development of options

Reliability – A Key Concern



- Technically Optimal Service Area Map developed
 - Exponential Engineering, Schneider Electric and an expert in regulatory requirements for transmission and generation
 - Available at www.BoulderEnergyFuture.com
- Will not seek annexation, but service could legally be provided to properties outside of city limits
- Same system infrastructure as what's in place today
 - Potential to enhance distribution system

Rates – A Key Concern



- **Charter metric – Comparable rates with Xcel**
- Monthly bills = overhead costs that affect bottom line
 - Economic vitality is one of the community goals driving this project
 - Want to draw businesses in, not force them out
- Options analysis addressed day one and 20-year outlook

Next Steps



- **City Council Study Session on Options**
 - **Feb. 26 – 6 to 10 p.m.** - for moving forward with muni exploration
- **Online survey on options**
 - **Feb. 27 – March 27**
- **Business-focused conference call on options**
 - **FREE - March 12 – noon to 1 p.m.** – Dial-in
 - www.BoulderColorado.gov/energyfuture/businesscall
- **Community Open House**
 - **March 13 – 6:30 to 8:30 p.m.** – West Senior Center – 909 Arapahoe Ave.
- **April 16 – 6 p.m.** - **City Council meeting**

Other Engagement Opportunities



- **Online comment form always available**
 - www.BoulderEnergyFuture.com
- www.InspireBoulder.com will feature one option per week starting tomorrow - Feb. 22
- **Send an email**
 - energyfuture@bouldercolorado.gov
 - baileyh@bouldercolorado.gov
- **We'll present information to almost anyone**
- **Feedback gathered goes to entire team and City Council**