The following document is a summary of the proceedings of the City of Boulder & Xcel Energy Working Group at their April 9, 2013 meeting. This is the first meeting of the task force, whose purpose is to explore the possibilities that may contribute to the formation of a partnership and to submit recommendations to Boulder City Council by July 15, 2013.

**Welcome, Introductions and Expectations**
After welcoming everyone and thanking them for their commitment to the task at hand the group reviewed the Memorandum of Understanding (MOU) between Boulder and Xcel which provides guidance and process expectations for the working group. Including:
- The working group is comprised of twelve members of the public.
- A neutral facilitator will guide the group through the process.
- A report from the working group will be issued by July 15, 2013.
- A summary of each meeting will be made available to the public.
- The working group will not be open to the public.
- At the conclusion of the working group process, all reports issued by the working group and the documents supporting the working group report shall be made available to the public and published on [www.BoulderEnergyFuture.com](http://www.BoulderEnergyFuture.com), except for propriety confidential information provided by PSCo (Xcel) and designated as confidential.
- All discussions within the working group, any private caucus or discussions between any party or counsel before or after the working group sessions may not be introduced or used as evidence in any judicial or regulatory proceedings.
- Materials produced by the working group may be admissible.

**Review of Beginning Assumptions**
As a beginning point for our work, the City of Boulder and Xcel Energy provided background and context to the Task Force, along with underlying goals and starting assumptions.

I. **City of Boulder’s Goals**
   a. Ensuring an energy supply that is stable, safe and reliable;
   b. Ensuring competitive rates while balancing short-term and long-term interests;
   c. Significantly reducing carbon emissions and other pollutants to improve environmental quality;
   d. Providing Boulder energy customers with a greater say about their energy supply;
   e. Promoting local economic vitality; and
   f. Promoting energy equality, protecting vulnerable populations and encouraging energy literacy.

II. **The Purpose of Boulder’s Goals**
   a. Boulder’s goals were created at the very start of the initiative as a high-level summary to guide decision-making as the City of Boulder investigated the variety of possibilities for meeting the community’s energy goal. These goals are not intended to direct specific choices or be prescriptive; rather they are to provide guidance, as there are many ways to meet the City’s and the community’s goals.
III. Xcel Energy’s Principles
   a. All Xcel Energy customers should be afforded choices about their energy consumption, including choices that provide incentives for demand reduction and energy efficiency and choice that differentiate the sources of generation providing their electricity.
   b. The prices for each of these services should be based upon the cost of providing the service, including a reasonable margin to the provider of the service. The bases of many pricing options may require some certainty of a long-term relationship between the City and Xcel Energy.
   c. New products and services must be designed so that they can be easily understood by the consuming public and so that they can be easily administered.
   d. All Xcel Energy service offerings require approval by the Colorado Public Utilities Commission, so they must be designed in a manner that complies with Colorado statutes and regulations.
   e. Offering services differentiation would constitute a new utility service model, one that is likely to provide more efficiency, better reliability, and more real environmental improvement than the formation of one or more municipal utilities.

IV. The Purpose of Xcel’s Goals
   a. Xcel is committed to being responsive to the community’s needs. Throughout this process Xcel is hoping to develop options that will work for other communities they serve.
   b. Public Utilities Commission approval will need to be considered as we discuss options and opportunities. Ideally, it is preferred to create options that do not require state regulation changes, given the extended time needed for this process. However, Xcel and the City of Boulder are open to working together on any feasible option provided by the Task Force, even if it requires regulatory or statutory changes.

V. Importance of the Working Group’s Task
   a. Both Boulder and Xcel expressed the potential for this being a revolutionary initiative. A successful partnership between Xcel and the City of Boulder may create a totally new model which can be replicated elsewhere. The working group is being asked to provide Xcel and the City of Boulder with a solid starting point for the development of a strong working partnership. Building this partnership will be an on-going process.

VI. Partnership Potential
   a. Boulder explained that their December 6, 2012 White Paper identified possible starting points for a partnership with Xcel, not a list of requirements, but rather conversation starters.
   b. A partnership will need to recognize the importance of both supply and demand side issues. This is not shift focus away from consumer efficiencies, but rather the addition of the supply interests and both conservation and economic goals.
   c. We will need to consider a new model, based upon a service, rather than the current commodity model. Customers should be reward for using less energy. Perhaps consider a tiered service system, where customers can choose the energy levels with “add-on” as appropriate for their usage. There could be baseline renewable limits, but with green choice options so the individual has choices for how far they want to go to conserve. Necessary to consider solutions that enables real consumer choice.
   d. We recognized the importance of strength in the combined efforts of Xcel and the City. We can be much more effective when working together to propose a new model.
e. A partnership must also take into consideration low-income household who currently struggle to have access to needed utilities.

**Task Force Framework**

I. Xcel presented four areas which they suggested will provide categories for ongoing discussions.
   a. Energy mix and energy resources (re-apportioning existing resources with the portfolio, modify operation of existing resources, add/delete energy resources)
   b. Additional renewable energy (wind and solar resources, voluntary programs and feed-in-tariffs)
   c. End-use energy programs (energy efficiency, demand response, technology solutions, unbundled bill and rate alternatives)
   d. Distribution solutions (high renewable penetrations, hybrid electric vehicles, micro grids, feeder optimization, distributed generation incubator)

II. The group added three additional categories
   a. Business model
   b. Partnership
   c. Pricing and cost

III. The group will review the categories and determine if there are additions or changes.

IV. The group agreed identify interests for both Xcel and the City of Boulder to use as both a guide to discussions and a measurement for evaluating ideas and solutions.

Our next meeting is Monday, April 22nd.