

Potential Xcel Settlement

Boulder City Council

July 28, 2020

Municipalization Goals

Decarbonize

Decentralize

Democratize

Rates

Reliability

Renewables

Potential Settlement

- Assurance of 80% Carbon Reduction by 2030
 - Emission check-in 2022, 2024, 2027
- Energy Partnership Agreement – Facilitates Modern Grid Planning & Boulder's 100% Renewable Electricity goal by 2030
- Maintains Feasibility of Municipalization in the Future
- Undergrounding catch-up - \$33 million – approximately half in first five years
- Franchise Ballot Measure and Suspension of Municipalization Effort

Carbon Reduction Metrics

- 2005 33.9 million tons emitted = Baseline
- 2019 19.5 million tons emitted = 42% reduction - actual
- **2022 16.6 million tons emitted = 52% reduction - target**
- **2024 13.6 million tons emitted = 61% reduction - target**
- **2027 11.5 million tons emitted = 67% reduction - target**
- **2030 6.9 million tons emitted = 80% reduction - requirement**

Measured by the Climate Registry and its Electric Power Sector Protocol, which aligns with the World Resources Institute and ISO 14000 series standards.

Decarbonize - Assurance of 80% Carbon Reduction by 2030

- Boulder will have the ability to vote to end the franchise without any reason in 2026, 2031 and 2036.
- In addition, Boulder may also end the franchise in 2023, 2025 and 2028 if Xcel Energy – Colorado fails to meet agreed carbon reduction metrics by the end of the previous year.

Slide 5

WS8 '...end the franchise at will in...'
Weaver, Sam, 7/25/2020

YB4 Switch slide 4 & 5
Yates, Bob, 7/25/2020

Decentralize & Democratize: Distribution Energy Partnership Agreement

- Executive Team
- Xcel
 - President Xcel Colorado
 - Senior Director of State Affairs and Community Relations
 - Vice President of Strategic and Key Accounts
- Boulder
 - City Manager
 - Director of Climate Initiatives
 - Chief Resilience and Sustainability Officer
- Oversight Team
 - Representatives from Xcel and Boulder who have the expertise to evaluate the feasibility, value, and requirements of programs and projects.
- Advisory Panel
 - Up to 15 representatives
 - Community, Business, University of Colorado

Decentralize & Democratize: Distribution Planning Partnership Project Opportunities

Specific Projects - Drive towards Boulder's 100% Renewables by 2030

- Microgrids
- Chautauqua – underground lines – 100% renewable energy – microgrid
 - Demonstration of net zero energy in a historic preservation environment.
- Alpine Balsam
 - Demonstration of net zero energy in a 9-acre new mixed-use development
- Hydrogen energy storage project – deploy a hydrogen production and storage system
- Cost Sharing

Decentralize & Democratize: Distribution Planning Partnership Project Development

- Boulder and Xcel Energy – Colorado will jointly seek approval for the following regulatory changes:
 - Elimination or substantial increase of the 120% limitation on on-site generation
 - Develop a new tariff to effectuate the rapid conversion of bus fleets to electric buses.
 - Removal of barriers to large amounts of local distributed generation
 - Facilitation of microgrids in specific projects (Chautauqua and Alpine Balsam)
 - Xcel will share data with the City in support of projects and programs

Democratize: Maintaining Municipalization Feasibility

- There will be a cap of \$200 million on any award in condemnation including acquisition cost, real property interests, going concern, damages to the remainder and purchase of two existing substations.
- Agreement on substation issues.
- Xcel will pay the cost of any updates to the existing substation interconnection studies and design drawings.
- The PUC September 14, 2017 and October 28, 2019 orders stand and apply to separation of the system if the city pursues municipalization.
- The lists of assets in PUC October 28, 2019 Decision may be used by the city.

Suspending Municipalization Effort

- If the voters approve the franchise:
 - The cost agreement will be held in abeyance
 - Xcel will complete in-progress design work and stop future municipalization work
 - Xcel will release letters of credit in the amounts of \$1.7 million and \$2.6 million
 - The city will dismiss the current FERC proceeding.
- The current case in the court of appeals will continue. The pending condemnation case will be dismissed. After the court of appeals decision is issued, all further court actions will be discontinued.

Taxes

- Two segments of the current annual Utility Occupation Tax
 - \$4.7 million to General Fund
 - \$2.1 million to fund municipalization
- Both will end if the city enters into a franchise
- General Fund portion will be replaced by a franchise fee
- Does council wish to consider a ballot measure repurposing and possibly extending the municipalization portion of the UOT to support grid modernization?
- If no franchise both expire December 31, 2022

Potential Uses of an Extended UOT

- New approaches in the electrification of buildings and transportation
 - Accelerate and expand efforts to reduce building-related emissions
 - Evaluate and expand incentives for local renewables deployment
 - Evaluate and expand incentives for carbon free mobility options
 - Multi-family/property microgrids
 - Expansion of “agrivoltaics” and similar cross-cutting energy projects
- Projects to enhance community-based resilience
 - mapping and selection of community critical facilities; design islanding/microgrid for select facilities
 - rapid deployment of community-based storage technologies
- Research and Technology Pilot Projects
 - second-life battery storage pilot project
 - energy-sharing “transactive” energy pilots
- Making energy efficiency and renewable energy solutions accessible
 - Expansion of low-income efficiency, renewables programs
 - Small, medium business incentive programs
 - Design and expansion of community or shared solar projects

Schedule

- July 28, 2020 Council Briefing – Settlement Outline
- August 4, 2020 First Reading Franchise
- August 18, 2020 Second Reading – Public Hearing
- September 1, 2020 Deadline to place measures on the ballot
- November 3, 2020 Election Day
- January 2021 Franchise Effective if Voter and PUC Approve

Council Questions?