

UPDATE ON XCEL'S ELECTRIC RESOURCE PLAN

FEB. 20, 2018

AGENDA

- How does the city decide to participate in PUC litigation?
- Background on the Electric Resource Plan
- What is the stipulation?
 - Terms of the stipulation
 - Decision to sign the stipulation
 - What does signing the stipulation mean?
- What has happened since the stipulation was signed?
- What is Boulder's position?
- What are next steps?

HOW DOES THE CITY DECIDE TO PARTICIPATE IN PUC LITIGATION?

- Xcel files application
 - Identify impacts to the city and community climate commitment, energy future goals and legislative agenda.
 - Does staff have capacity to intervene?
 - Are there other parties that share the city's perspective?
 - What unique perspective does the city bring?
 - Staff makes recommendation on whether or not to intervene and on which issues to the executive team.
 - Provides update to council through quarterly IP process

BACKGROUND: WHAT IS AN ELECTRIC RESOURCE PLAN?

- Every 4 years, Xcel presents estimate of future electric generation resource needs.
- This is evaluated in two phases:
 - Phase I: parties evaluate proposed rationale for resource need and receives bids.
 - Phase II: Xcel presents alternative plans to meet resource need

WHAT IS THE STIPULATION?

- The stipulation is a request to add a **third resource need scenario** to Phase II of the ERP, known as the “Colorado Energy Plan Portfolio.”
- If approved, the three resource needs would be:
 - 0 MW
 - 450 MW
 - Stipulation: Up to 1,110 MW

WHAT ARE THE TERMS OF THE STIPULATION?

- Retire Comanche 1 & 2 ten years early (660 MW of coal)
- Reduce RESA from 2% to 1% of total bill to pay for accelerated depreciation
- Replace retired capacity with combination of renewables and natural gas
- Xcel to own 50% of new renewables and 75% of dispatchable resources (natural gas or storage)
- Build new switching station to accommodate new renewables

HOW DID THE CITY DECIDE TO SIGN THE STIPULATION?

- Staff was notified of the opportunity to participate in the stipulation in mid-August.
- Staff evaluated stipulation terms.
- Due to the unique situation and time constraint, staff consulted with the Energy Future executive team on the city's position.

WHY DID THE CITY SIGN THE STIPULATION?

- Further investigation of early retirement of two coal plants
- Possible addition of significant amount of new renewables

WHAT DOES IT MEAN TO SIGN THE STIPULATION?

- By signing the stipulation, we are not endorsing the Colorado Energy Plan Portfolio as the preferred resource plan.
- The stipulation only advocates to allow a third resource need scenario (the Colorado Energy Plan Portfolio) to be presented alongside the two already approved scenarios.

WHAT HAS HAPPENED SINCE THE STIPULATION WAS SIGNED BY THE PARTIES?

- 30-day report of new generation bids
- Federal corporate tax cut legislation
- Federal solar tariff
- Refresh of bids

WHAT IS BOULDER'S POSITION?

- Addition of as much renewable energy and storage as possible
- What is the impact of the reduction in the corporate tax rate on the ability to take advantage of wind and solar tax credits?
- Is the ownership of fossil fuel generation by Xcel in the public interest?
- Concern regarding lack of transparency and data
- Require Xcel to perform detailed cost analysis of including maximum amount of renewables

WHERE ARE WE IN THE CURRENT ERP PROCESS?

February 2018

- Feb. 7-9: PUC hearing on stipulation
- Feb. 21: City files statement of position

March 2018

- PUC decides if Colorado Energy Plan Portfolio can be presented alongside previously approved ERP resource scenarios
 - If yes, Xcel presents 0 MW, 450 MW and 1,150 MW scenarios
 - If no, Xcel presents 0 MW and 450 MW

April – July 2018

- April: Xcel files 120-day report with proposed portfolio to meet approved resource needs
- June: Intervenors, including city, file comments on proposed portfolios
- July: PUC decision selects portfolio

QUESTIONS?