



LOUISVILLE & XCEL ENERGY— COLORADO

ENERGY FUTURE COLLABORATION

WORK PLAN



LOUISVILLE AND XCEL ENERGY, COLORADO ENERGY FUTURE COLLABORATION
2018-2019 WORK PLAN ("Work Plan") – October 2018

Background

On September 7, 2018, the City of Louisville, Colorado (“**Louisville**” or “**City**”) and Public Service Company of Colorado, a Colorado corporation and an Xcel Energy company (“**Xcel Energy**”), entered into an Energy Future Collaboration – Memorandum of Understanding (“**MOU**”). For Louisville and Xcel Energy, the MOU provides a strategy and framework for cooperation and achievement of a shared vision through broad collaboration, focusing on innovation, clean energy, economic development opportunities, customer choice programs and technology – known as the Energy Future Collaboration Partnership (“**EFC Partnership**”). A copy of the MOU is attached and incorporated into this Work Plan. Section 4.1 of the MOU contemplates that, upon execution of the MOU, the Parties will develop a plan to advance the EFC Partnership, which is this Work Plan for 2018-2019. Louisville and Xcel Energy are collectively called the “**Parties**.”

This Work Plan details the anticipated deliverables under the EFC Partnership for 2018 – 2019 and follows the guiding principles in the MOU (see Section 3 of the MOU). It has refined priority community plans and projects using Attachment 1 to the MOU as a guidepost. More specifically, this Work Plan addresses each of the following for proposed EFC Partnership projects and plans:

- Brief project/plan description;
- Project objective;
- Anticipated resources needed from Louisville, Xcel Energy and any partners (note that “partners” is used in a general sense and does not imply actual legal partnerships or arrangements absent such a separate, written agreement);
- Process maps, as needed;
- Funding source(s);
- Anticipated timelines;
- Measurement metrics, including what data may be needed; and
- Any other information deemed necessary by the Parties including coordination with, and approvals from, the Colorado Public Utilities Commission (“**PUC**”), as applicable.

In prioritizing the items to be performed in this Work Plan, the Parties have considered their shared vision in the MOU as well as regulatory requirements in Colorado. Recognizing the new nature of the EFC Partnership, the Parties are focused on building a track record and gaining greater experience on this broad collaboration. In light of this, Louisville and Xcel Energy have outlined short-term and longer-term goals and will begin by focusing on the top four short-term priorities for 2018. Additionally, the Parties recognize that we will be learning through this process and may need to update and modify this Work Plan at the quarterly meetings as deemed appropriate by both Parties.

2018-2019 Work Plan

Shorter Term Projects (2018)

1. Project #1: Sharing Knowledge and Baseline Setting

A. *Project objective:* Louisville will be provided with more information about Xcel Energy’s regulatory and resource planning process and requirements. Xcel Energy will be provided with more information about how Louisville views these processes and how they relate to the City’s priorities and objectives through the EFC Partnership. Louisville and Xcel Energy will work with other interested EFC Partnership communities to explore the possibility of creating a baseline Renewable Energy Certificate (“**REC**”) accounting mechanism that supports community goals and allows them to take advantage of Xcel Energy’s baseline clean energy mix in Colorado as it relates to their clean energy goals.

B. *Anticipated resources needed from Louisville, Xcel Energy and any partners:*

- Louisville: Internal staff time.
- Xcel Energy: Internal staff time to:
 1. provide an overview of regulatory, resource planning, energy efficiency/DSM processes and requirements;

2. provide internal resources to understand Louisville's perspective of the overviews provided in item (1) above as it relates to EFC Partnership efforts;
3. host a REC accounting summit with Louisville and other EFC Partnership communities that have interest; and
4. provide additional information on the Xcel Energy Home Energy Squad.

- Partners: None as of October, 2018, but evaluate as appropriate.

C. *Process maps, as needed:* None.

D. *Funding source(s):*

- Louisville: Internal staff time.
- Xcel Energy: Internal staff time.
- Partners: None as of October, 2018, but evaluate as appropriate including that some knowledge sharing may include other Energy Future Collaboration partnership communities.

E. *Anticipated timelines:*

- Overview of regulatory and resource planning process and requirements: fourth calendar quarter ("Q4") 2018 – second calendar quarter ("Q2") 2019.
- Overview of DSM programs: Q4 2018 – Q2 2019.
- Better understand Louisville's view of the regulatory and resource planning processes and requirements: Q4 2018 – Q2 2019.
- REC accounting summit: Q2 2018.

F. *Measurement metrics, including what data may be needed:* N/A.

G. *Other information deemed necessary by the Parties:* None.



2. Project #2: Increase City Energy Efficiency via Louisville Leveraging Existing Xcel Energy Programs

Lowering energy consumption reduces operating costs for consumers while decreasing air pollution and greenhouse gas emissions. Energy efficiency is often the lowest-cost energy resource and should be used across all sectors whenever it is a good fit to achieve the shared vision. Below are some initial ideas for consideration, all within the larger context of the MOU including applicable PUC rules.

A. *Project objective:* Continue internal and external efforts to promote energy efficiency as through the City's and Xcel Energy's prior "Partners in Energy" program work, including:

- Residential – continuing coordination with partner agencies, promoting Xcel Energy's energy-efficiency programs and rebates and identifying opportunities for outreach.
- Commercial/Industrial – continuing to focus on large commercial opportunities, collaborating and sharing resources to raise awareness of Xcel Energy's energy-efficiency programs and rebates and identifying opportunities for outreach.

- Municipal – developing case studies to highlight completed projects, performing building audits and identifying opportunities for energy-efficiency improvements and any finance planning through Xcel Energy’s existing programs.

In addition, the Parties would like to explore opportunities and options to collaborate on lighting, such as LED conversions and exploring challenges related to dimming opportunities.

B. Anticipated resources needed from Louisville, Xcel Energy and any partners:

- Louisville: Internal staff time and costs associated with programs, as applicable.
- Xcel Energy: Provide a detailed overview session for Louisville on current company energy-efficiency offerings. Provide in-house resources to answer questions on company programs.
- Partners: May include Boulder County’s Partners for a Clean Environment (PACE). The Parties will continue to evaluate as appropriate, particularly as it relates to any Energy Performance Contracting Program through the state.

C. Process maps, as needed: None

D. Funding source(s):

- Louisville: As applicable, the relevant portions of the City’s operating funds budgeted for 2019.
- Xcel Energy: Participation to the extent allowed by, and in accordance with, then-current rules and regulations regarding company-offered energy-efficiency programs and plan.
- Partners: As applicable.

E. Anticipated timelines: 12 months, i.e., October 2019.

F. Measurement metrics, including what data may be needed: Savings metrics as outlined pursuant to specific programs, which would include deemed or actual savings, as applicable.

G. Other information deemed necessary by the Parties: As applicable, including any coordination with the PUC.



3. Project #3: Alternative Energy and Carbon Emission Reduction Goals

Louisville can leverage Xcel Energy’s statewide renewable energy plans, such as the Colorado Energy Plan, to provide a strong foundation for its renewable energy and carbon reduction goals.

A. Project objective:

- Accounting of City’s Current Renewable Portfolio: Work with the City to undertake an accounting of the City’s current renewable portfolio as it relates to municipal facilities.
- Deeper Dive of Customer Programs Available to City: Xcel Energy will provide an “apples-to-apples” comparison of Xcel Energy clean-energy programs available to the City for municipal facilities, including WindSource®, Renewable*Connect®, Solar*Rewards, Solar*Rewards Community and net metering, etc. As part of this, the Parties may be able to work with certain developers to provide more background from them regarding the Xcel Energy programs that involve them, e.g., solar gardens.
 - i. Explore what 100% renewable energy really means as it relates to community goals, including the cost and technological hurdles. Also, focus on how the City defines renewable energy and how it can advance its key focus area of carbon emission reduction goals to be in line with the Paris Accord commitments.

- Renewable*Connect: Xcel Energy will assist Louisville with review of its accounts for participation by the City in this program.
- Policy Coordination: The Parties will seek areas of mutual alignment regarding policy matters, such as the City's support of the Colorado Energy Plan that, if approved by the PUC, would result in Xcel Energy's electric system mix being 55% renewable in 2026, as well as a correlated system carbon emission reduction of 60% by that same year (as compared to 2005 levels).

B. Anticipated resources needed from Louisville, Xcel Energy and any partners:

- Louisville: Internal staff time.
- Xcel Energy: Internal resources to provide:
 1. The City with applicable renewable portfolio accounting;
 2. the "apples-to-apples" customer program offerings regarding renewable energy products;
 3. assistance with City accounts for Renewable*Connect participation; and
 4. information about overall company plans and policies that may overlap with Louisville objectives.
- Partners: None as of October, 2018, but evaluate as appropriate.

C. Process maps, as needed: None.

D. Funding source(s):

- Louisville: Staff resources as well as program costs, as applicable.
- Xcel Energy: Participation to the extent allowed by, and in accordance with, then-current rules and regulations regarding company offered customer choice programs and plan.
- Partners: None as of October, 2018, but evaluate as appropriate.

E. Anticipated timelines:

- Deeper dive regarding "apples-to-apples" comparison of customer programs: Q4 2018 – first calendar quarter ("**Q1**") 2019.
- Preparation for Renewable*Connect for City facilities: Q2 and third calendar quarter ("**Q3**") 2018.
- Policy coordination: Ongoing in 2018 - 2019.

F. Measurement metrics, including what data may be needed: TBD.

H. Other information deemed necessary by the Parties: As applicable, including any coordination with the PUC.

4. Project #4: Transportation

Accelerated electrification of the transportation sector is important to reducing emissions. Investments by the city in electric vehicle associated infrastructure, charging stations, and fleet replacement should be prioritized and the Parties can discuss options to collaborate regarding electric vehicle (**EV**) policy in areas of mutual alignment.

A. Project/plan objective: Xcel Energy and the City will meet to discuss EV opportunities and will collaborate on EV "education and outreach" to further communicate activities around EVs that the company is undertaking, which are convenient or beneficial to the City's residents and businesses.

B. Anticipated resources needed from City, Xcel Energy and any partners:

- Louisville: Staff time.
- Xcel Energy: Internal resources to support a new pilot project and implementation of the same.
- Partners: None as of October, 2018, but evaluate as appropriate.

C. Process maps, as needed: None.

D. Funding source(s):

- Louisville: Internal staff time.
 - Xcel Energy: Internal staff time.
 - Partners: None as of October, 2018, but evaluate as appropriate.
-

E. *Anticipated timelines:*

- Create education and outreach plan and start executing upon it in 2019.

F. *Measurement metrics, including what data may be needed:* None as of October, 2018, but evaluate as appropriate.

G. *Other information deemed necessary by the Parties:* As applicable, including any coordination with the PUC.

5. Project #5: Economic Development

A. *Project objective:* The City is focused on economic development and participation in Xcel Energy's related programs, such as its site certification and partner site processes for appropriate locations. In addition, the City believes that many of the other projects outlined in this Work Plan can support economic development.

B. *Anticipated resources needed from Louisville, Xcel Energy and any partners:*

- Louisville: Internal resources.
- Xcel Energy: Internal resources.
- Partners: None as of October, 2018, but evaluate as appropriate.

C. *Process maps, as needed:* As applicable, create for various pilot opportunity ideas.

D. *Funding source(s):*

- Louisville: Internal staff time.
- Xcel Energy: Internal staff time.
- Partners: None as of October, 2018, but evaluate as appropriate.

E. *Anticipated timelines:*

- 12 months from October, 2018

F. *Measurement metrics, including what data may be needed:* At least one certified site and/or other partner building site within the City.

G. *Other information deemed necessary by the Parties:* As applicable, including any coordination with the PUC.

Longer Term Projects

1. Goal – Fuel Switching–Stationary Sector: Electrification of space and water heating, using renewable electric energy, is an area the City and Xcel Energy would like to study and explore.

- Tentative plans: Possibly start to study these opportunities.

2. Goal – Reliability & Resilience: Reliability and resilience are critical to our energy future. Identifying ways to boost reliability will be part of our goal setting in accordance with PUC rules and requirements. Initial ideas include:

- Accelerated undergrounding of electric distribution facilities in accordance with the Franchise Agreement and the underground fund or as otherwise funded by the City.
 - Explore identification of possible pilot projects and opportunities, e.g., microgrids.
 - Natural disaster preparedness planning that addresses resilient infrastructure.
 - *Tentative plans:* Coordinate on Franchise Agreement undergrounding projects.
-

ATTACHMENTS



ATTACHMENT TO LOUISVILLE/XCEL ENERGY 2018-2019 WORK PLAN

ENERGY FUTURE COLLABORATION – MEMORANDUM OF UNDERSTANDING BETWEEN THE CITY OF LOUISVILLE, COLORADO AND XCEL ENERGY

This Memorandum of Understanding (“**Memorandum**”), dated September 7, 2018, outlines various overarching values, goals and shared principles between the City of Louisville (the “**City**”) and Public Service Company of Colorado, a Colorado corporation and an Xcel Energy company (“**Xcel Energy**”). The Memorandum provides a strategy for cooperation and achievement of a mutual vision through broad collaboration, focusing on innovation, clean energy, economic development opportunities, customer choice programs and technology (“**Energy Future Collaboration**” or “**EFC Partnership**”). The City and Xcel Energy are each a “**Party**” and collectively the “**Parties**” to this Memorandum.

BACKGROUND

- A. The City is a Colorado home rule municipality. It is responsible for protecting the public health and safety of its residents.
- B. The City has various clean energy, economic development and resiliency goals and desires, which have been developed in collaboration with the community including with Xcel Energy, at times.
- C. Xcel Energy is a statewide, integrated public utility energy provider, which is regulated by the Colorado Public Utilities Commission (“PUC”). Xcel Energy provides electric and natural gas service to the City and its residents.
- D. For decades, a strong tradition of working together has progressed between the City and Xcel Energy, resulting in a partnership of mutual benefit and both parties’ growth and development.
- E. The City and Xcel Energy have many aligned interests at a local, state and federal level and desire to advance those interests in a new way, capitalizing on each entity’s strengths and expertise via partnership.
- F. To do this, the City and Xcel Energy are creating a holistic, collaborative mutually beneficial relationship that supports the community and its energy goals.
- G. The City and Xcel Energy desire to memorialize, in this Memorandum, their mutual vision, guiding principles, values and goals regarding the EFC Partnership.

MUTUAL COLLABORATION

VALUES

The values are the standards that define what the community, the City and Xcel Energy determine are important and desirable. Below are the City’s and Xcel Energy’s values for the EFC Partnership.

- 1.1 *City Environment*: The City must foster and protect a healthy environment for all residents, including access to clean water, clean air, and a livable climate, and be responsible stewards of the environment for future generations.
 - 1.2 *Energy Provider*: Xcel Energy must deliver safe, reliable, and affordable energy that its customers need and expect, including adding cost-effective renewable energy to its system.
 - 1.3 *Emission Reductions*: Reducing air pollution and greenhouse gas emissions will benefit City residents, visitors, and businesses, through improved public health, additional economic opportunities, and long-term energy price stability.
 - 1.4 *Economic Development*: Innovation and technology as well as investment in clean energy resources provide opportunities to attract businesses and boost the local and state economy.
 - 1.5 *Thriving Energy Provider*: Xcel Energy being a thriving energy provider is essential to the City achieving its goals and objectives – ranging from the City advancing its environmental goals to advancing economic development efforts – as well as to the success of the EFC Partnership.
 - 1.6 *Thriving City*: The City being a thriving, resilient community is essential to Xcel Energy achieving its goals and objectives as well as to the success of the EFC Partnership.
 - 1.7 *Regional Collaboration*: Solutions should be sought through regional collaboration whenever feasible.
-

VISION

Aspirations and goals, which drive a desired future, represent a person or organization's vision. Each of the City and Xcel Energy has a vision and, as part of the EFC Partnership, they have identified a shared vision.

- 2.1 *City's Vision:* The City of Louisville's vision is to support a sustainable future by prioritizing environmental health, economic vitality and community well-being consistent with the Louisville Sustainability Plan.
- 2.2 *Xcel Energy's Vision:* Xcel Energy will be the preferred and trusted provider of the energy its customers need. As such, Xcel Energy wants to partner with the City to support the City's energy vision, goals and objectives and also advance its plans that align with those of the City and Xcel Energy's customers.
- 2.3 *Mutual Vision:* Through the EFC Partnership, the City and Xcel Energy will work to support and achieve each other's vision and objectives in areas of mutual alignment.

GUIDING PRINCIPLES

As the City and Xcel Energy, in conjunction with the community, seek achievement of their mutual vision, certain tenets will be followed. These principles will supply the "how" of achieving the mutual vision and execution of the EFC Partnership.

- 3.1 *Collaboration:* The City and Xcel Energy will work collaboratively to achieve the mutual vision, with respect, transparency, and innovative thinking.
- 3.2 *Prioritization:* The Parties will make the EFC Partnership, and its successful implementation, a priority. As part of this, the Parties will prioritize their goals and objectives.
- 3.3 *Scalability:* The EFC Partnership paradigm developed between the Parties must be scalable and available to other communities in Colorado.
- 3.4 *Avoidance of Cost Shifting:* Pursuit and execution of the EFC Partnership, including renewable energy and sustainability targets, will be in a manner that is cost-effective to City residents and does not shift costs among them or to others in the State.
- 3.5 *Public Policy Support:* The City and Xcel Energy will collaborate to advance public policy matters at the state and local level where they share common interests. Nothing in this Memorandum requires either party to take any action that it deems not to be in its best interest.
- 3.6 *Colorado Regulatory Model:* The state regulatory model will be fully used to support the EFC Partnership and the Parties support using this model to achieve the mutual vision. The Parties also agree that this model supports Xcel Energy being a thriving energy provider.
- 3.7 *Leveraging City Efforts:* The EFC Partnership will support the City's efforts that buttress the City's goals, such as collaboration on federal and private grants and funding opportunities that align with the partnership efforts.
- 3.8 *Leveraging Xcel Energy Statewide Efforts:* The EFC Partnership will support Xcel Energy's efforts that buttress City goals, such as Xcel Energy's proposed Colorado Energy Plan, which provides a jump start on the City achieving its sustainability and environmental objectives in an economic manner.

COLLABORATION FOR RENEWABLE ENERGY, ADVANCED TECHNOLOGY AND THE ECONOMY – PLANNING, PROGRESS AND EXECUTION

- 4.1 *Planning and Deliverables:* The Parties will develop a plan to advance the EFC Partnership, typically on a biennial basis (the "**Work Plan**"). The Work Plan for each time period will detail the deliverables to be presented and will follow the guiding principles outlined in this Memorandum. The Parties will use their best efforts to achieve such deliverables. An overview of the Work performed and the results achieved will be prepared by the Parties on an annual basis. In prioritizing the items to be performed in a specific Work Plan, the Parties will consider the mutual vision as well as regulatory requirements in Colorado and will focus on selecting the top two to three priorities. Initial ideas for the Parties to consider for the Work Plan are outlined in Attachment 1 to this Memorandum. These ideas are not exhaustive or controlling, but illustrative.
 - 4.2 *Meetings and Staffing:* The City and Xcel Energy will meet at least quarterly. The Parties will work to provide staff and resources appropriate to support the work.
-

4.3 *PUC*: The Parties recognize that future action taken by Xcel Energy to support the City's goals and the EFC Partnership may be subject to state regulatory utility requirements under Colorado law. If the Parties agree on certain actions in support of the EFC Partnership that require state regulatory approval, they agree to cooperatively work together to seek necessary approvals or regulatory changes to facilitate such regulatory approvals. EFC Partnership program costs and incentives for City customers, above and beyond what is then offered by Xcel Energy to all of its customers, will be the responsibility of the City or another party that has accepted responsibility.

4.4 *Waiver and Legal Applicability*: Nothing in this Memorandum constitutes a waiver of the City ordinances, the City's regulatory jurisdiction or Colorado's utility regulatory jurisdiction. It is agreed by the Parties that nothing in this Memorandum will be deemed or construed as creating a joint venture, trust, partnership, or any similar legal relationship among the Parties. Each Party shall be responsible for its own obligations under this Memorandum. The Parties agree that this Memorandum is to memorialize the intent of the Parties regarding the EFC Partnership, but does not create a legal agreement or any legal obligations between the Parties. This Memorandum further does not require any expenditure of City funds or prevent either the City or Xcel Energy from pursuing partnerships or collaborative efforts with other parties. This Memorandum is for the benefit of the Parties and does not create third party rights.

4.5 *No Impact on Franchise Agreement or other Agreement*: The City and Xcel Energy are parties to a Franchise Agreement, dated January 1, 2008 and adopted as Ordinance 1527, Series 2007 ("**Franchise Agreement**"). The Franchise Agreement has no impact on this Memorandum and the Memorandum likewise does not alter or modify the Franchise Agreement.

4.6 *Duration*: The EFC Partnership is a new endeavor and therefore the Parties want to provide adequate time to develop the partnership and successfully implement its goals and Work Plans. It is anticipated that the duration will coincide with the term of the Franchise Agreement, but either Party may end the EFC Partnership in the event it elects to do so.

This Memorandum has been signed on the date first above written.

This Memorandum has been signed on the date first above written.

CITY OF LOUISVILLE

By _____

Its _____

PUBLIC SERVICE COMPANY OF COLORADO, A COLORADO CORPORATION AND AN XCEL ENERGY COMPANY

By _____

Alice K. Jackson, President

ATTACHMENT 1 – WORK PLAN IDEAS

- **Goal Setting:** The Parties will work together to set goals and targets as outlined in the Memorandum of Understanding (“**MOU**”).
 - **Energy Efficiency:** Lowering energy consumption reduces operating costs for consumers while decreasing air pollution and greenhouse gas emissions. Energy efficiency is often the lowest-cost energy resource and should be used across all sectors whenever it is a good fit to achieve the shared vision. Below are some initial ideas for consideration, all within the larger context of the MOU including applicable PUC rules.
 - Efficiency Options: The Parties will explore Xcel Energy’s existing energy-efficiency options and offerings and, as desirable, the State of Colorado’s Public Energy Performance Contracting Program as possible pathways for identifying and financing energy-efficiency capital improvements to municipal infrastructure.
 - Smart technology: Emerging technology provides opportunities to reduce energy consumption. For example, the Parties could possibly collaborate to install smart streetlight technology to improve lighting efficiency, which could improve safety while reducing energy use and promoting dark skies. Louisville’s size and built environment provide an opportunity to explore pilot program opportunities at a reasonable scale to determine if they should be deployed to the entire market.
 - **Alternative Energy:** The Parties could explore renewable energy offerings from renewable energy on the Xcel Energy grid through programs like Renewable*Connect and Solar*Rewards*Community, all of which provide additive renewable energy. The City may periodically survey and poll on residents’ support for bonding or other city funding methods to accelerate the purchase of additional renewable energy.
 - **Transportation:** Accelerated electrification of the transportation sector is important to reducing emissions. Investments by the city in electric vehicle associated infrastructure, charging stations, and fleet replacement should be prioritized and the Parties can discuss options to collaborate regarding electric vehicle policy in areas of mutual alignment.
 - **Reliability & Resilience:** Reliability and resilience are critical to our energy future. Identifying ways to boost reliability will be part of our goal setting in accordance with PUC rules and requirements. Initial ideas include:
 - Accelerated undergrounding of electric distribution facilities in accordance with the Franchise Agreement and the underground fund or as otherwise funded by the City.
 - Explore possible pilot projects and opportunities, e.g., microgrids.
 - Natural disaster preparedness planning that addresses resilient infrastructure.
 - **Fuel Switching:** The Parties would like to explore opportunities to incentivize consumers to transition appliances, vehicles, heating and other fuel powered devices to electrified alternatives, but also understand how these opportunities realistically impact carbon reductions at the grid level.
 - **Economic Development:** The City is focused on economic development, including commercial outreach and business participation in Xcel Energy’s related programs, such as its site certification process for appropriate locations. The City and Xcel Energy can also collaborate on and education and utilization of Xcel Energy’s energy efficiency tools for advancing business expansion, retention and attraction at appropriate locations.
 - **Transparency and Data Access:** Cooperative sharing of information and data should be in alignment with EFC partnership activities and be to the full extent permitted by law and data sharing capabilities.
-



RESPONSIBLE BY NATURE®