



LAKEWOOD & XCEL ENERGY— COLORADO

ENERGY FUTURE COLLABORATION

WORK PLAN



Lakewood
Colorado

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

Background

On April 20, 2018, the City of Lakewood, Colorado (“**Lakewood**”) 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 Lakewood 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. Lakewood 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/plan objective;
- Anticipated resources needed from Lakewood, 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.

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, Lakewood and Xcel Energy have outlined short-term and longer-term goals and are focusing on the top four short-term priorities for 2018-2019. Additionally, the Parties recognize that we will be learning through this process and may need to update and modify this Work Plan, from time-to-time.

2018-2019 Work Plan

Shorter Term Projects – 2018-2019

1. Project #1: Renewable Energy and Energy Efficiency in Municipal-Owned Facilities

1. *Project objective:* Focus on projects that reduce energy consumption through building retrofits, behavioral changes, and enhanced energy management as well as those that support the City in increasing its renewable energy portfolio. More specifically, the Parties would like to explore the following:
 - Deeper Dive of Customer Programs Available to City: Xcel Energy will provide an “apples-to-apples” comparison of clean energy programs available to the City for municipal facilities, including WindSource®, Renewable*Connect®, Solar*Rewards, Solar*Rewards Community and net metering, etc. It will also do the same regarding energy-efficiency opportunities. Additionally, the City would like a better understanding of how its energy usage fits into program assumptions.
 - Renewable*Connect: Xcel Energy will assist Lakewood with review of its accounts in anticipation of possible participation by the City in this program.
 - Explore possible renewable program options for street lights and other non-metered or small loads.
 2. *Anticipated resources needed from Lakewood, Xcel Energy and any partners:*
 - Lakewood: Internal resources to identify opportunities, including efforts to leverage existing demand side management
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programs and, as appropriate, enroll select City premises in Renewable*Connect. The City also anticipates providing data and marketing support, as needed.

- Xcel Energy: Internal resources to (1) provide the “apples-to-apples” customer program offerings regarding renewable energy products; (2) provide assistance with City accounts in anticipation of Renewable*Connect performance; (3) provide information about overall company plans and policies that may overlap with Lakewood objectives; (4) identify energy-efficiency opportunities for municipal buildings, including supportive trainings; and (5) collaborate on identifying targeted DSM opportunities and programs to support municipal facilities, in accordance with PUC requirements.

- Partners: None at this time.

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

4. *Funding source(s):*

- Lakewood: City staff time and costs associated with programs, 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 at this time.

5. *Anticipated timelines:*

- Deeper dive regarding “apples-to-apples” comparison of customer programs: first calendar quarter (“Q1”) 2018.
- Preparation for Renewable*Connect for City facilities: Q1 and second calendar quarter (“Q2”) 2018.
- Explore possible renewable program options for street lights and other non-metered or small loads: 18 to 24 months from November, 2018.

6. *Measurement metrics, including what data may be needed:*

- Overall, to be determined, as needed.
- Meetings between the City and company to reconcile the City’s municipal utility data system and company data related to data discrepancies identified via the Renewable*Connect application process and others as appropriate.
- Identification of possible additional renewable program options for street lights and other non-metered loads.

7. *Other information deemed necessary by the Parties:* None at this time.



2. Project #2: Community Programs

A. *Project objectives:*

- Assist with developing a proposed methodology that City staff can use to assess suitable sites for community solar projects, including identifying potential sites.
- Identify target populations to focus outreach and efforts that will increase participation in efficiency programs, including with the Mile High Youth Corps program, as applicable, and benchmarking programs.
- Train City staff on Xcel Energy's energy-efficiency programs related to new construction programs, and develop guidelines on the programs that are available to developers.

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

- Lakewood:
 - Solar projects: Host a working session to develop the methodology and identify potential sites.
 - Energy efficiency: The City also anticipates providing data and marketing support, as needed.
 - Xcel Energy: Provide information about the company's interconnection process and, as applicable, actual pre-interconnection or interconnection studies as allowed by, and in accordance with, then-current rules and regulations regarding the company's interconnection process. Also, as appropriate, coordinate on program rules and process for project site implementation.
- Partners: None at this time aside from Mile High Youth Corps.

C. *Process maps, as needed:* None at this time.

D. *Funding source(s):*

- Lakewood: City staff time and costs associated with programs, as applicable.
- Xcel Energy: Internal resources (i.e., staff time).
- Partners: None at this time.

E. *Anticipated timelines:* Within 18 months of November, 2018.

F. *Measurement metrics, including what data may be needed:* Documentation of proposed methodology process and others, as applicable.

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

3. Project #3: Sharing Knowledge, Baseline Setting and Regional Collaboration

A. *Project/plan objective:* Xcel Energy will have more information about how Lakewood views these processes and how they relate to the City's priorities and objectives through the EFC Partnership. Lakewood will have more information about Xcel Energy's regulatory and resource planning process and requirements. Lakewood 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 Lakewood, Xcel Energy and any partners:*

- Lakewood: City staff.
- Xcel Energy: Internal resources to (1) provide an overview of regulatory, resource planning, energy efficiency/DSM processes and requirements; (2) provide internal resources to understand Lakewood's view of the overviews provided in item (1) above as it relates to EFC Partnership efforts; and (3) host a REC accounting summit with Lakewood and other EFC Partnership communities that have interest.
- Partners: None at this time.

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

D. *Funding source(s):*

- Lakewood: To be determined, as applicable (“**TBD**”).
- Xcel Energy: TBD/Internal Resources (i.e., staff time)
- Partners: Not applicable (“**N/A**”).

E. *Anticipated timelines:* Ongoing.

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

G. *Other information deemed necessary by the Parties:* TBD.



Longer Term Projects – 2019 and Beyond

1. **Goal – Continued Sharing Knowledge, Baseline Setting and Regional Collaboration**

- Tentative 2019 Plans: Share lessons learned from other Energy Future Collaboration partnerships, as appropriate.

2. **Goal – 100 Percent Renewable Electricity Pathway:** The City and Xcel Energy will work toward identifying a realistic path for the City to reach its 100 percent renewable targets. Analyses of the City’s electric demand, both for City facilities/operations and community-wide usage, will be part of this process. This effort will also include a list of actions that could be taken by both Parties to move the City toward its 100 percent renewable energy goals, including:

- Exploring Xcel Energy tools and programs at a variety of levels to support the City and communities with similar renewable aspirations; and
- Creating a roadmap and plan that would support the City and similar communities in reaching their goals, including incorporation of (i) Xcel Energy’s addition of future solar and wind resources and other clean energy sources to its system as part of Xcel Energy’s planning process, along the lines of the proposed Colorado Energy Plan; and (ii) expanding programs like Renewable*Connect to allow residents, customers, and businesses to participate in additive renewable products, constructed and operated here in Colorado.
- *Tentative 2019 plans:* Analyses of the City’s electric demand, both for City facilities/operations and community-wide usage, and renewable energy options. Draft an initial list of actions that could be taken by both Parties to move the City toward its 100 percent renewable energy goals. Also explore energy design and code assistance.

3. **Goal – Electrification:** Explore, and over the long term, conduct assessments to understand the feasibility, impact, and costs of potential space and water heating electrification opportunities.

- *Tentative 2019 plans:* Possibly start to study these opportunities.

ATTACHMENTS



ATTACHMENT TO LAKEWOOD/XCEL ENERGY 2018-2019 WORK PLAN

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

This Memorandum of Understanding (“**Memorandum**”), dated April 20, 2018, outlines various overarching values, goals and shared principles between the City of Lakewood, a Colorado home rule municipal corporation (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, renewable 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 responsible for protecting the public health and safety of its residents.
- B. The City has various renewable energy, economic development, social equity, 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. Since 1969, a strong tradition of working together has progressed between the City and Xcel Energy, resulting in an interwoven history linked to the City’s growth, development, planning and energy needs and objectives.
- 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.
- 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 standards that define what the community, the City and Xcel Energy determine are important and desirable are the values. In essence, values help shape the “why” of what we do on a daily basis. Overall, the community has a large impact on determining both the City’s and Xcel Energy’s values. Below are the City and Xcel Energy values for the EFC Partnership.

- 1.1 *City’s Environmental Protection and Public Health:* The City must protect its natural environment, ecosystem services, biodiversity, and its air and water quality in order to protect public health and quality of life.
 - 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 and providing various renewable-energy offerings and choices to its customers.
 - 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, long-term energy price stability, and enhanced community resiliency.
 - 1.4 *Economic Development:* Innovation and technology, as well as investment in renewable energy resources, provide opportunities to boost the local and state economy, attract businesses, and be an innovation leader.
 - 1.5 *Thriving City:* The City being a thriving community is critical in supporting the City and Xcel Energy achieving their mutual goals and objectives as well as to the success of the EFC Partnership.
 - 1.6 *Thriving Energy Provider:* Xcel Energy being a thriving energy provider is critical to the City achieving its energy-related 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.
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- 1.7 *Regional Collaboration:* Solutions should be sought through regional collaboration whenever feasible. The Parties will also look to share lessons learned from other communities that are participating in similar collaborations with Xcel Energy, while identifying topics of mutual interest among partnership communities.

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:* By 2025, the City's community greenhouse gas emissions will be 20 percent below the levels of 2007; the City will generate 45% of its energy needs from renewable sources; and will reduce citywide energy use in buildings by 20 percent below the levels of 2010. In addition, the City is committed to using a triple-bottom-line framework in its decision-making, which equally considers direct costs, long-term economic wellbeing, local self-reliance and resiliency, ecosystem health, and overall community wellbeing. The City's vision and adopted goals are updated periodically and the Memorandum may be amended to include any updated goals.
- 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 collaborate with the City to support the City's energy vision, goals and objectives and also advance Xcel Energy's 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 common 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 *Community and Stakeholder Input:* The City and Xcel Energy value input and anticipate community stakeholder input through their established processes.
- 3.4 *Scalability:* The EFC Partnership paradigm developed between the Parties must be scalable and available to other communities in Colorado.
- 3.5 *Avoidance of Cost Shifts:* 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 given the anticipated costs of the proposal, along with its anticipated benefits, and will avoid shifting costs, except to the extent approved, and deemed reasonable, by the PUC.
- 3.6 *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.
- 3.7 *Colorado Regulatory Model:* The state regulatory model will be fully utilized to support the EFC Partnership and the Parties support using this model to achieve the mutual vision. This model supports Xcel Energy being a thriving energy provider.
- 3.8 *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.
- 3.9 *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 effective and efficient manner.
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COLLABORATION FOR RENEWABLE ENERGY, ADVANCED TECHNOLOGY AND THE ECONOMY – PLANNING, PROGRESS AND EXECUTION

4.1 *Planning and Deliverables*: The Parties will develop and agree upon 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. The format of this overview will be agreed to by the Parties, consistent with the type and scope of projects undertaken by the EFC Partnership. In prioritizing the items to be undertaken in a specific Work Plan, the Parties will consider the mutual vision as well as regulatory requirements in Colorado and will jointly 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 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. Program costs and customer incentives offered by Xcel Energy to its customers in Colorado extending beyond the scope of programs offered to all Xcel Energy 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 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 between the 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 16, 2010, and adopted as ordinance O-2009-44 (“**Franchise Agreement**”). The Franchise Agreement has no impact on this Memorandum, which 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 LAKEWOOD

By _____

Its _____

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

By _____

David L. Eves, President

ATTACHMENT 1: ILLUSTRATIVE FOCUS AREAS

The Energy Futures Collaboration will prioritize specific projects for implementation through a formal Work Plan as outlined in Section 4.1 of the Memorandum. The following list of focus areas and project examples reflects the current priorities of the City and should be used to guide the development of the formal Work Plan in accordance with the Memorandum. The formal Work Plan will address how the City and Xcel Energy will collaborate, including how Xcel Energy's programs can support the City's goals, in addition to investigating additional and innovative ways the City and Xcel Energy can work together.

1. **Renewable Energy and Energy Efficiency in Municipal-Owned Facilities:** The EFC partnership will focus on the City's renewable energy and energy-efficiency goals for municipal operations. Projects should result in reduced energy consumption through building retrofits, behavioral changes, and enhanced energy management and should help the City increase its renewable energy portfolio.
 - 100 Percent Renewable Electricity Pathway: Develop a range of scenarios that serve as pathways for the City to achieve 100 percent renewable electric energy for municipal facility loads by evaluating various renewable programs available to the City.
 - Technical Support: Work collaboratively to plan, design, and construct new renewable-energy projects and/or pilots all in accordance with applicable PUC and Xcel Energy program requirements.
 - Energy Efficiency: Increase energy efficiency in municipal facilities. This can be accomplished via a combination of City efforts regarding data and analysis and, through Xcel Energy's assistance by providing data and analysis, technical assistance and other programs, all in accordance with applicable PUC and Xcel Energy program requirements.
 2. **Community Programs:** The EFC partnership should support the City's efforts to provide energy efficiency and renewable energy access to the Lakewood community by working together to maximize current Xcel Energy programs and supporting efforts for the City to maximize or leverage such programs and/or piloting innovative new approaches and programs. Such efforts should be tailored, as appropriate, to specific customer types including low-income households, single and multi-family households, homeowners, tenants, and commercial customers. The following are example projects related to efficiency and renewable energy access:
 - City's Outreach: Develop comprehensive, data-driven community outreach and marketing strategies that maximize impact in support of the City's environmental and equity goals. The EFC Partnership will explore opportunities to collaborate in this area.
 - Incentives and Financial Tools: Investigate and assemble tools, resources and financing mechanisms to support energy efficiency and renewable energy projects.
 - Multi-Stakeholder Collaboration: Work with community partners, as appropriate, including businesses, nonprofit organizations, service organizations, and others to conduct outreach and implement energy-efficiency and renewable energy projects.
 - Technical Support and Process Improvement for Development: Identify ways to work collaboratively to offer technical assistance during design and construction of properties in order to advance high-efficiency development in the City.
 - Fuel Switching: Explore possible electrification of space and water heating options through feasibility, cost and impact assessments, in both residential and business sectors.
 - Electric Vehicles and Transportation Electrification: Identify opportunities to expand electric vehicle infrastructure and adoption.
 - Renewable Access: As a long-term goal, identify and understand barriers to renewable access for residents and businesses and propose strategies that could address barriers.
 - Community Solar: The City would like to identify potential sites for community solar projects.
 3. **Data Access and Analytics:** Access to reliable and consistent data, along with standardized methods of measurement, will support implementation of the Work Plan and reliable tracking of EFC partnership project impacts. To the extent allowed by law and data sharing capabilities, the EFC partnership should strive to undertake the following:
 - Community Data Analysis: Improve community-wide data access, consistency, and analysis in support of specific projects (as applicable) and through the annual community energy report.
 - Targeted Data Analysis: Explore analytics and modeling opportunities for neighborhood-level assessments and benchmarking.
 - Standardized Accounting: Work with neighboring communities to create a standard accounting method for renewable energy portfolios (community and municipal), greenhouse gas emission factors, and energy use intensity.
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