

City & County of Denver and Xcel Energy Public Franchise Agreement

Budget & Policy Committee

June 23, 2025



AGENDA

Public Franchise Agreement Overview

Public Franchise Agreement Goals

Negotiated Agreement &
Benefits to Denverites

Timeline & Next Steps



PUBLIC FRANCHISE AGREEMENT: OVERVIEW



WHAT

A public franchise agreement is a contract between a municipality and a public utility **outlining public benefits** and **granting the utility the right to use the public right-of-way** to install, maintain and repair facilities to serve Denverites.



WHY

The existing public franchise agreement between the City and County of Denver and Xcel Energy has a **20-year term** expiring at the end of 2026.



HOW



CURRENT GOLD STANDARD FRANCHISE FRAMEWORK



CCD & Xcel Energy Franchise Agreement



CCD Operating Agreement



Street Lighting Agreement



Denver International Airport Operating Agreement



Low-Income Energy Assistance &
Energy Conservation Agreement



Energy Future Collaboration MoU (2018)

*Current 20-year term:
Jan 1, 2007 – Dec 31, 2026*

FRANCHISE NEGOTIATION GOALS

Responsible stewardship of public funds

- ✓ Retain primary right-of-way benefits including utility relocation and franchise fee provisions
- ✓ Preserve strong definition of Public Projects

Strengthened partnership & enhanced service to Denverites

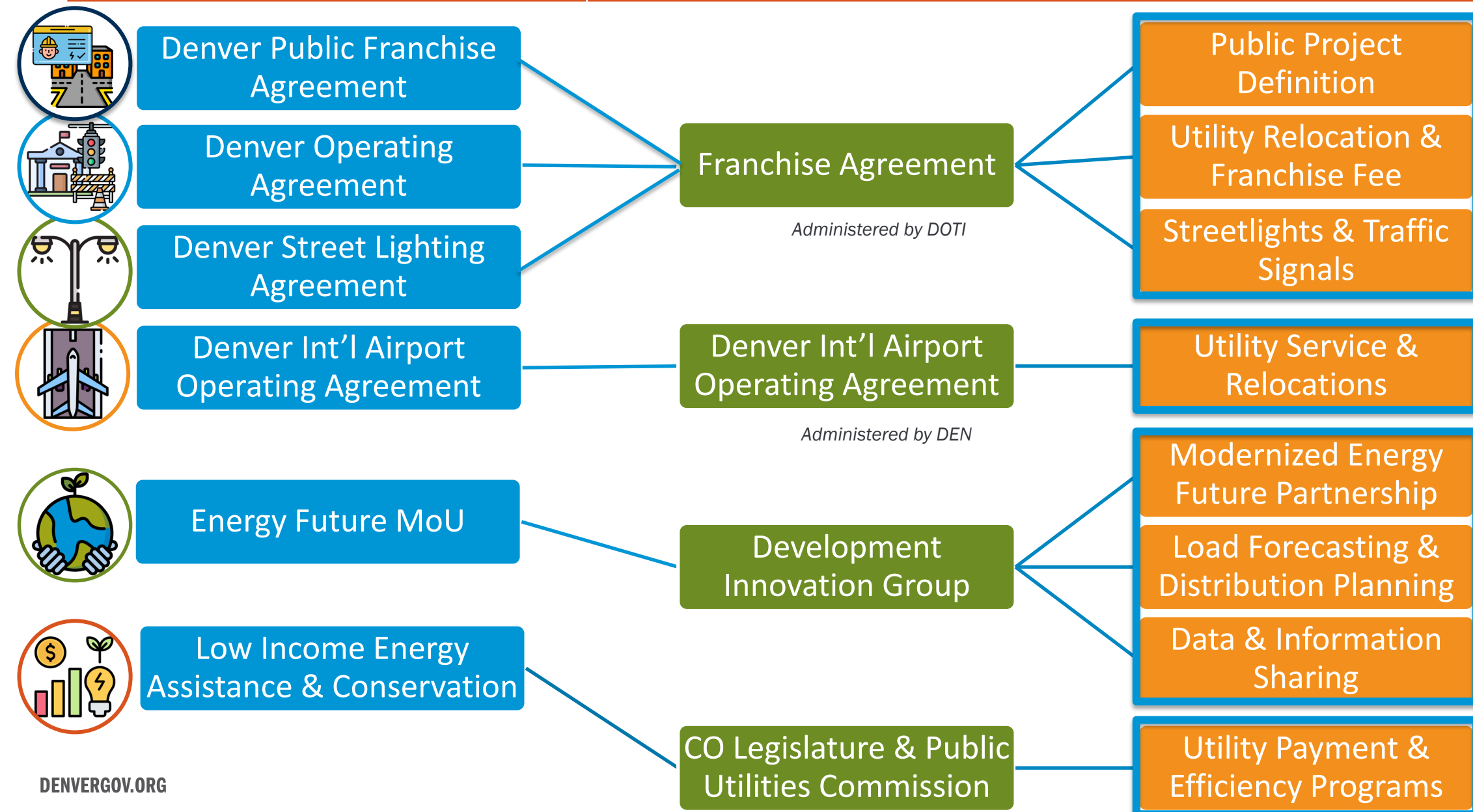
- ✓ Coordinated and proactive infrastructure & capacity planning
- ✓ Reflect modern energy conservation and assistance regulations & services

Accelerate renewable energy transition

- ✓ Establish Denver Development Innovation Group (DDIG)
- ✓ Advance clean energy infrastructure

CURRENT FRAMEWORK

UPDATED FRAMEWORK



Negotiated Franchise Agreement Overview

Priority benefits support the responsible stewardship of public funds and generate significant cost savings to Denverites

Public Project Definition

- All CCD Agencies, DEN International Airport, Denver Water, the Regional Transportation District (RTD), CO Dept of Transportation (CDOT), National Western Center, Special Districts

Utility Relocations, Franchise Fee, and Undergrounding

- Utility relocation clause **saved Denver over \$3 billion*** in construction costs over the current term
- The **franchise fee (3% of annual revenues)** generates over \$30 million a year for Denver's General Fund
- The **undergrounding fee (1% of annual revenues)** generates over \$10 million a year to underground Denver transmission lines

*Not including savings at DEN Airport

Streetlights & Traffic Signals

- CCD & Xcel Energy coordination on repairs, replacements, and enhancements that keep Denver communities safe

Negotiated DIA Operating Overview

Maximizing benefits to support Denver International Airport service to Coloradans & the Rocky Mountain Region

Separate agreement to reflect unique regulations & operations

- Unique Federal Aviation Administration (FAA) and other regulations apply
- Unified regulations for cross-jurisdictional property boundaries with Adams county

Retain coverage for all Denver International Airport Property

- Denver airport remains within the definition of a public project
- Relocation benefits now apply throughout the airport, including the portion in Adams county

Negotiated Denver Development Innovation Group

Providing affordable, reliable, clean energy when and where Denverites need it

Advance clean energy infrastructure

- Expanding **clean energy infrastructure tools** such as ambient loop, mobile battery storage, & geothermal
- Exploring **on-bill clean energy financing** to expand Denverites' access to energy efficiency upgrades
- Collaboration regarding Xcel Energy's **\$22 billion investment into Colorado energy transmission infrastructure**

Modernize energy future partnership

- Broad engagement and coordination between the **City & County of Denver and Xcel Energy**
- Strengthened data and information sharing

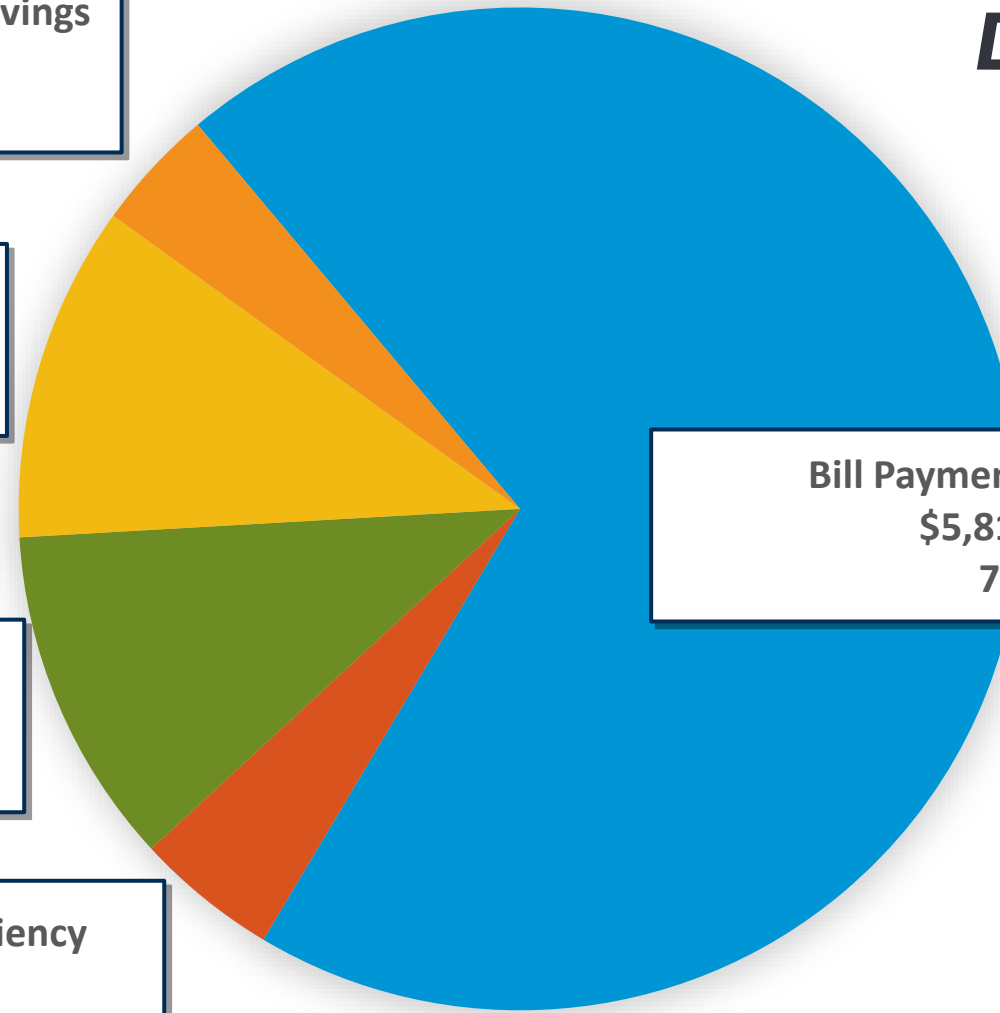
Load forecasting & distribution planning

- Guiding energy infrastructure investments that advance the comprehensive plan and serve City residents
- Electric grid planning to support beneficial electrification and increased electric vehicles
- Load forecasting cooperation to facilitate timely service to new development
- Permitting efficiency to avoid project delays

XCEL ENERGY

Denver Impact Report

2024 Total Community
Investment = **\$8.3 million**



Community Solar Gardens Bill Savings
\$329,338
4%

Single Family Energy Efficiency
\$905,014
11%

Multifamily Energy Efficiency
\$913,120
11%

Nonprofit Energy Efficiency
\$383,605
4%

Bill Payment Assistance
\$5,812,103
70%

XCEL RED TRUCK EVENTS



Q: Why did you launch the RED Truck?

A: We're proud to offer the Resources. Education. Delivered (RED) Truck's free energy education service to your community as a part of our ongoing efforts to help you manage your energy usage and control your energy bill. When everyone is more energy engaged, we all benefit.

We're also here to offer support for all of your energy assistance needs, whether it's answering questions or helping you apply.

Q: What is the RED Truck?

A: Our RED Truck is a new service Xcel Energy is offering to our community to help you get access to the energy information you need. Staffed with our energy experts and equipped to connect your specific account, the RED Truck will deliver energy savings tips and tools on the spot.



Request the RED Truck at your next event here:



FRANCHISE AGREEMENT TIMELINE

City Council

Summer 2025

- [Jun 23] Budget & Policy Committee
- [July 8] Finance & Governance Committee
- [July 14] First Reading & Courtesy Public Hearing
- [July 21] Second Reading & Ballot Referral

Public Engagement

In Progress & Ongoing

- New City & County Webpage
- Xcel Energy RED Truck
- Educational Materials
- Community Events

Approvals

Fall 2025

- Voter Approval at November Election
- Public Utilities Commission Approval
- Final Ratification by City Council

New Agreement Effective Date: January 1, 2027

COUNCIL REQUEST:

Approval of Denver's new *gold standard* Public Franchise Agreements



CCD & Xcel Energy Franchise Agreement

★ Requires Council, Public, and PUC Approval



Denver International Airport Operating Agreement

★ Requires Council, Public, and PUC Approval



Denver Development Innovation Group

DOTI respectfully requests Denver City Council approval to refer the updated Franchise Agreements to the November ballot for Denver voter approval, marking one more step forward in re-securing Denver's Gold standard Public Franchise Agreement and the significant benefits to Denverites.

Next 20-year term:
Jan 1, 2027 – Dec 31, 2046

LEARN MORE

City of Denver & Xcel Energy Partnership

<https://denvergov.org/Xcel>

Gas and Electric Affordability Programs

<https://co.my.xcelenergy.com/s/billing-payment/energy-assistance/electric-gas-affordability-programs>

Understanding your Xcel Energy Bill

https://www.xcelenergy.com/company/rates_and_regulations/rates

Report an Outdoor Lighting Outage, Repair, or Replacement

<https://co.my.xcelenergy.com/s/partner-resources/municipalities/outdoor-lighting/outdoor-lighting-reporting>



THANK YOU

