

ENERGY EFFICIENCY ASSISTANCE
HUMAN RIGHTS AND COMMUNITY PARTNERSHIPS
DENVER OFFICE OF STRATEGIC PARTNERSHIPS (DOSP)



History

- **2006 – Xcel Franchise agreement (1A) passed by voters**
 - Removed \$12.50 exemption (for residents and commercial)
 - .75 cents from each monthly bill (\$2 million)
- **2007 Implemented – ordinance passed**
- **2010 Ordinance updated**

Energy Efficiency Assistance

Source of Funds:

This is an annual \$2 million payment to the City as a part of the franchise agreement with Xcel Energy. An additional \$22 million payment is made annually to the City by Xcel for a variety of general purposes and is managed by Public Works.

Management of Funds

DOSP has managed the energy efficiency assistance fund since it was approved by voters and City Council in 2006. This agreement is in place through 2026.

Purpose of Funds:

Support energy efficiency efforts for low-income residents and nonprofits.

Administration:

Per the governing policy 10 % of funds may be used for overhead and 90 % are contracted out to non-profits in the community. DOSP manages the funding with 1 FTE equivalent.

1A Advertisements

Dear Denver Voters,

The proposed new Franchise Agreement between Denver and Xcel Energy is a good deal for the City. Denver will dedicate more funds to help seniors and low-income families who are struggling to pay their utility bills. Xcel Energy will be more accountable as to when and how long they dig up our streets, and how quickly they repair street-lights, traffic signals, and other utilities. Together, we will make Denver greener and waste less energy.

Denver's Charter requires the Mayor and the gas and electric company—Xcel Energy—to negotiate a new Franchise Agreement this year to decide how that company uses the City's rights-of-way for the next 20 years. The Mayor and the City Council are presenting this Franchise Agreement, Measure 1A, to Denver voters at the August 8 Primary Election.

The Franchise Agreement can't set rates charged to customers or regulate the services provided by Xcel Energy—that power remains solely with the State of Colorado's Public Utilities Commission.

The Franchise Agreement is a good deal for Denver and a significant improvement over the old agreement. 1A is a better deal for Denver.

—Denver Mayor John Hickenlooper

“1A is a better deal for Denver.”



THE DENVER POST

Provisions in proposed Xcel Energy deal draw praise

Mar 23, 2006

By Christopher Osher

Denver — Environmentalists and activists for the poor Monday praised a proposed pact between the city of Denver and Xcel Energy.

Residents got a chance to weigh in during a public hearing before the Denver City Council. The council will vote June 5 on whether to put the 20-year deal on the Aug. 8 ballot.

The franchise agreement would give Xcel permission to use the city's right of way to deliver power to Denver residents.

In exchange, Denver would receive franchise fees from the utility. Those fees are expected to generate \$22 million this year under the current arrangement, set to expire at the end of this year.

Environmental groups, including the Sierra Club, the Colorado Environmental Coalition and Western Resource Advocates, were pleased with provisions that commit Xcel to boost energy efficiency.

Contract Overview

Funds are distributed to the community through annual contracts that are competitively awarded

■ 2014 Contracts

- Denver Urban Renewal Authority
- Energy Outreach Colorado
- Groundwork Denver
- ICAST
- Mile High Youth Corps
- Veteran Green Jobs

■ 2015 Contracts

- Energy Outreach Colorado (\$375,000- multi-family homes & \$600,000 – nonprofit energy efficiency)
- Groundwork Denver (\$250,000 single family)
- Mile High Youth Corps (\$200,000 single-family & small multi-family)
- Energy Resource Center (\$325,000 single & multi family)

Contracts are determined through a competitive RFP process and decided by the Facilities and Energy Efficiency Advisory Board, appointed by the Mayor

Impact of Funds

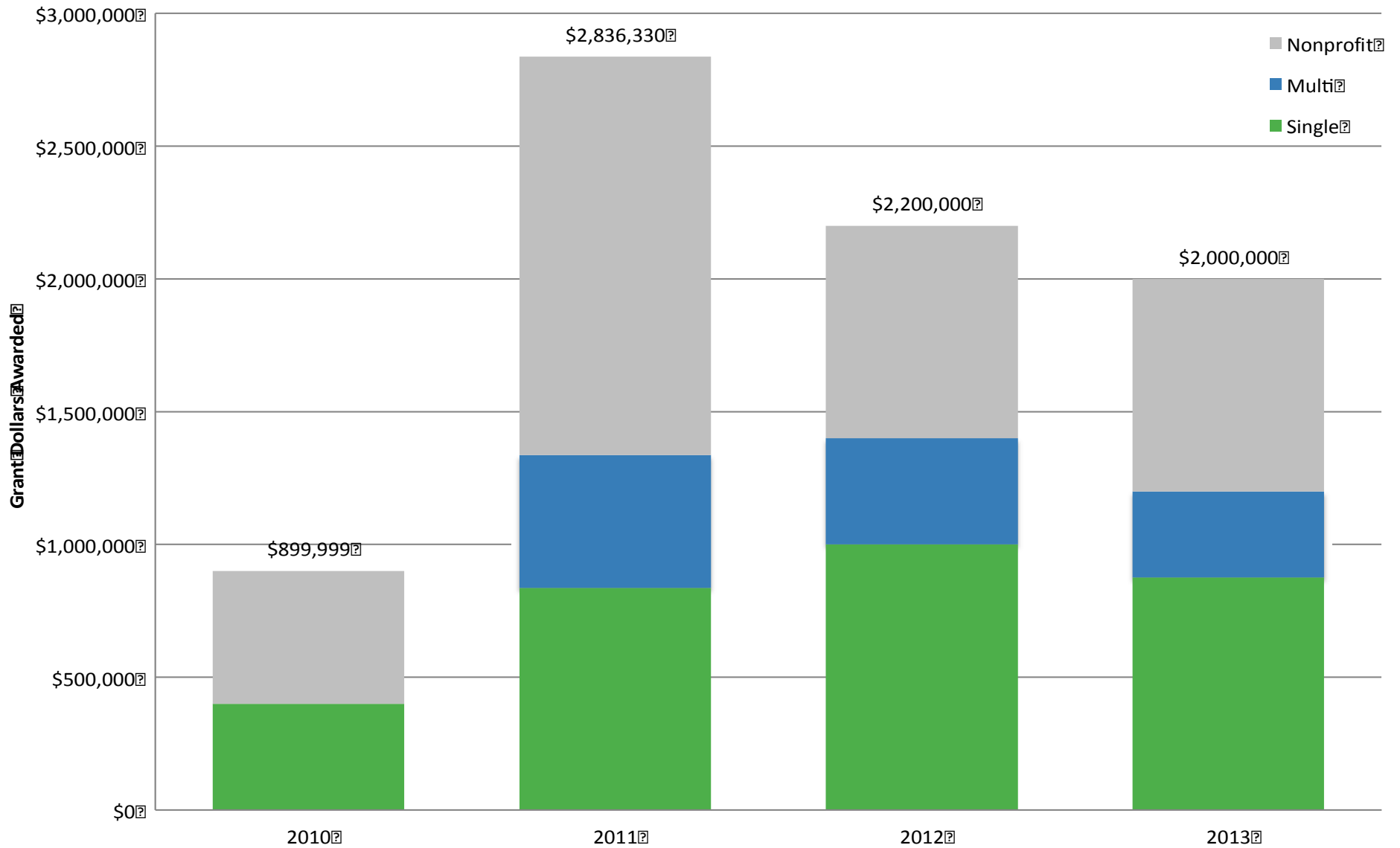
From 2010 to 2013, DOSP funded energy efficiency improvement for **3,649 single-family** homes, **3,754 multi-family** units and **102 non-profit** service providers.

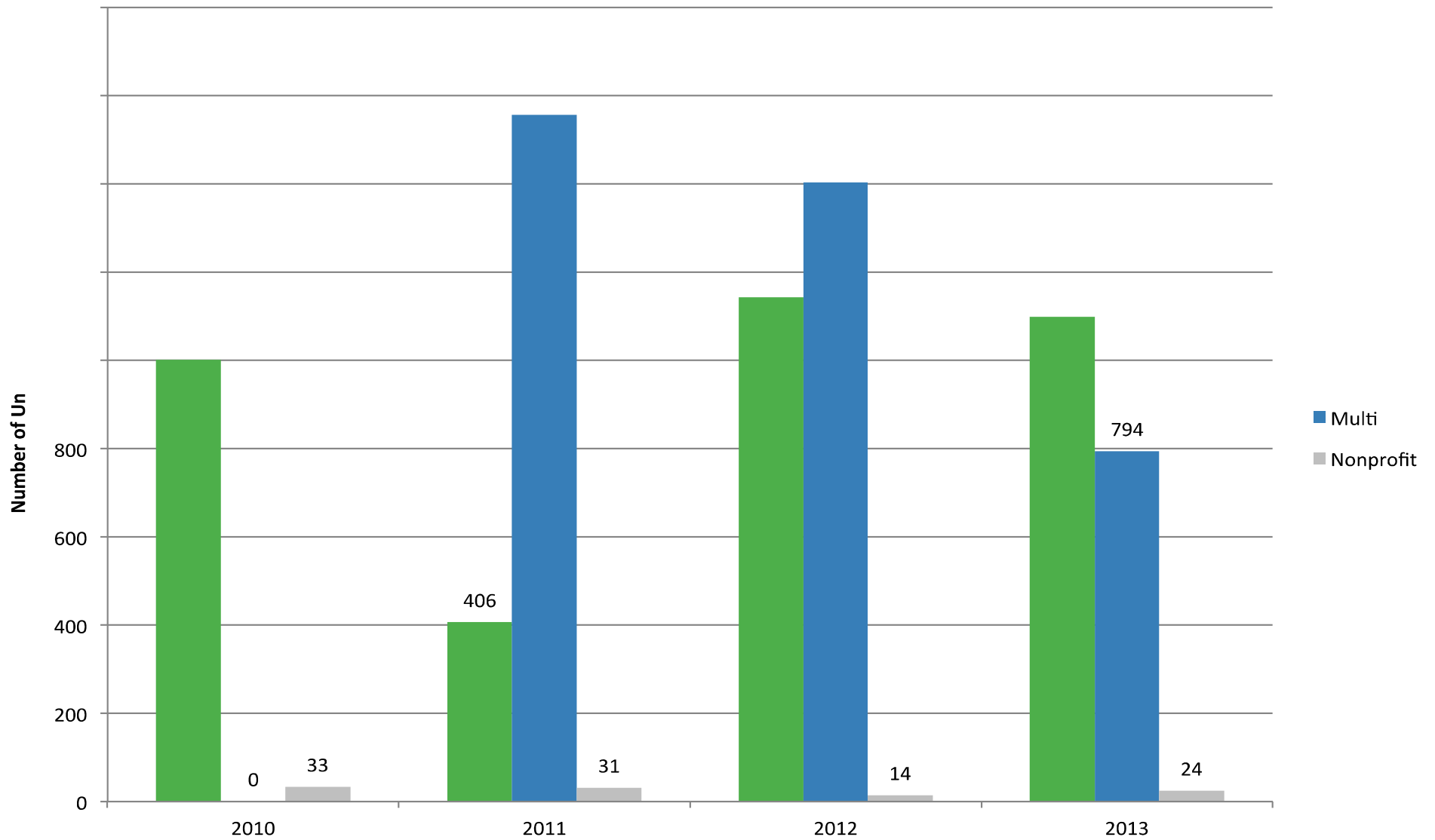
Initial cost savings from those energy improvements averaged **\$146 in the first year** for each family and **\$6,323 for each non-profit**. Total cost savings was \$1,177,700 for non-profits and single family homes in the first 3 years.

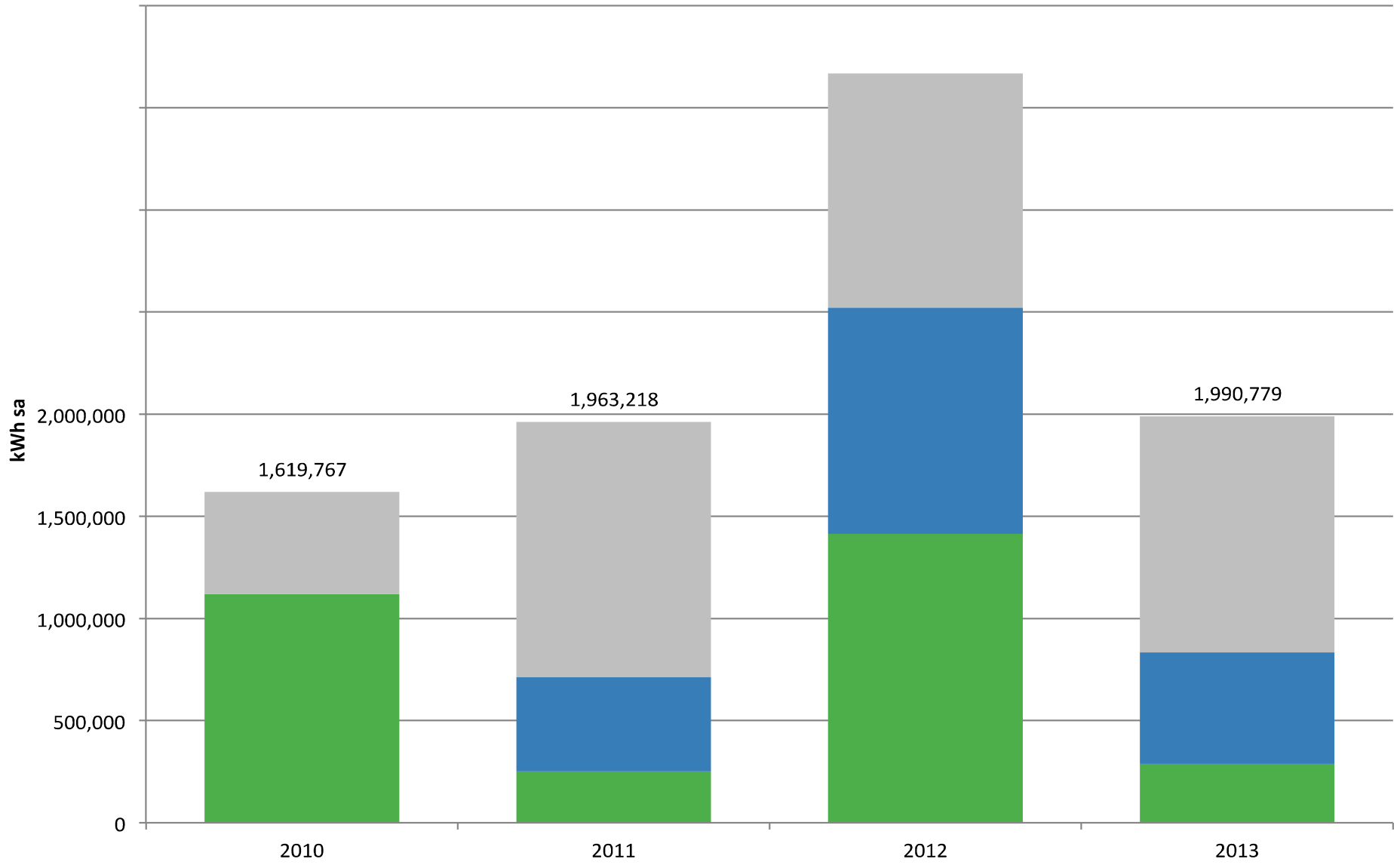
That's the equivalent of a week of healthy groceries for a family, and for a nonprofit like grantee Girls Incorporated, a teen outdoor adventure trip.

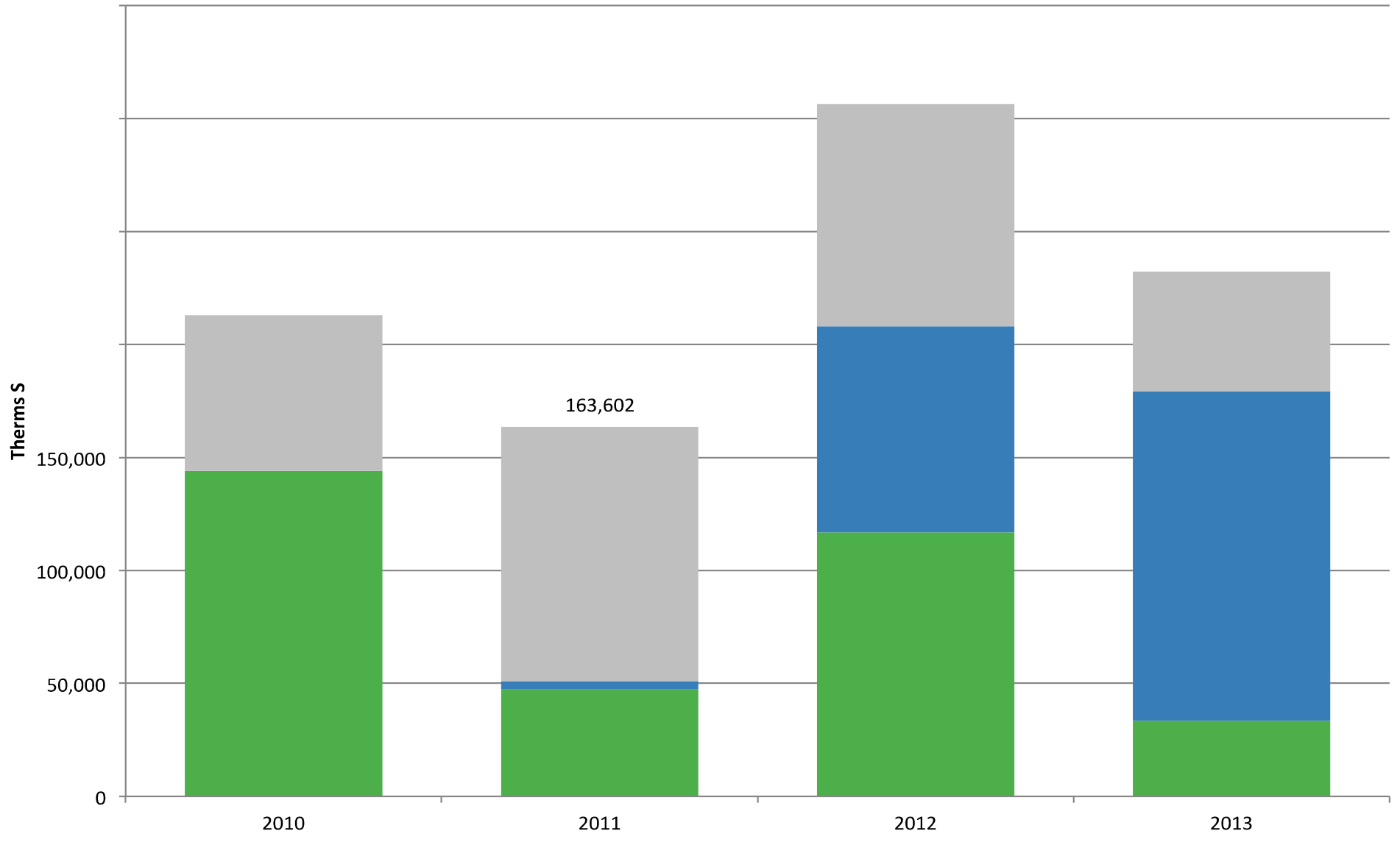
In general, **multi-family units had the best return on investment** in terms of their cost-to-savings ratio. DOSP dollars were used to **leverage \$3.7 million** from other sources in 2011 and 2012 for multi-family units.

Spending on Energy Efficiency Projects by Type, 2010 to 2013









Low income population DOSP has served

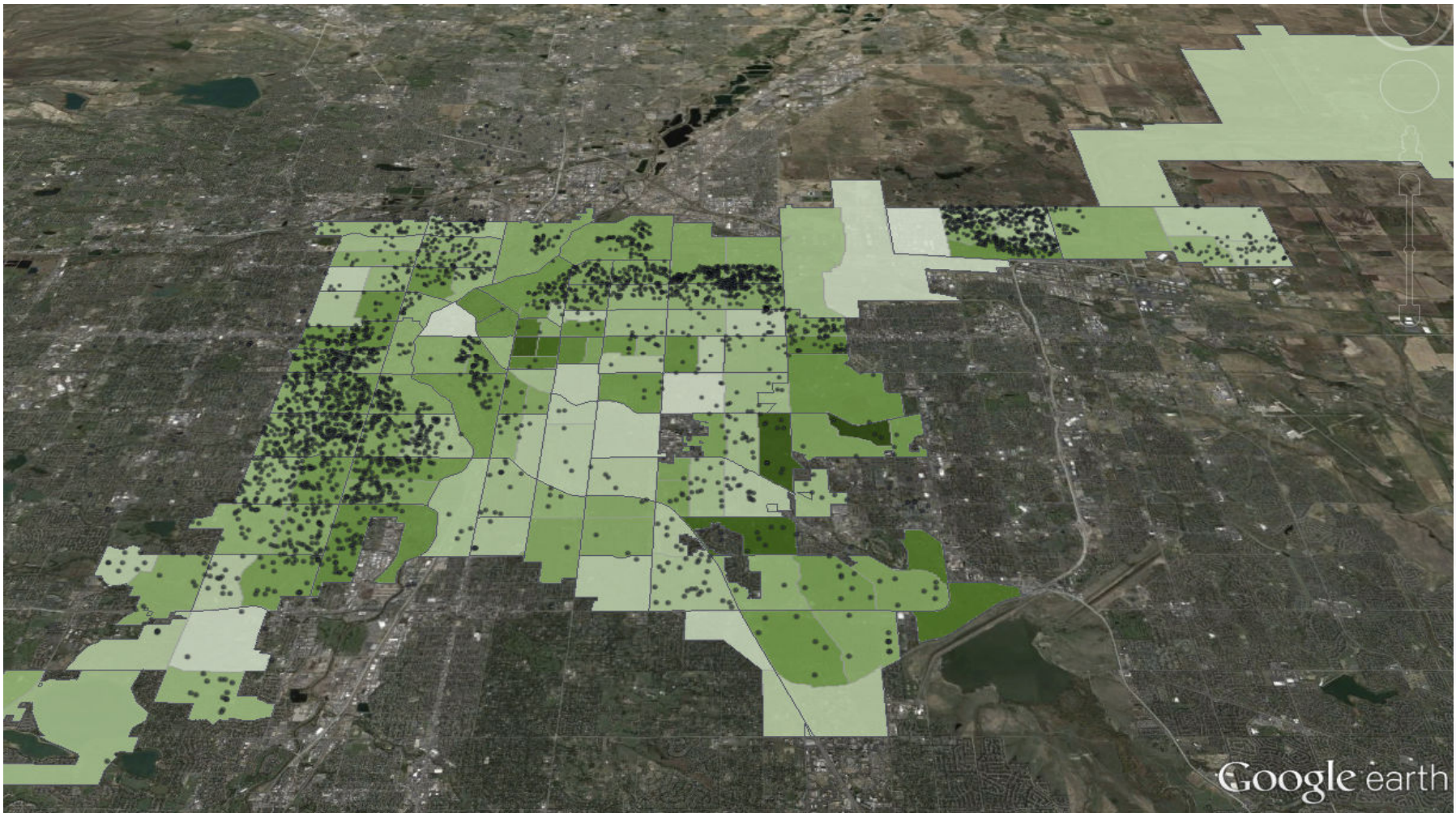
In Denver, there are nearly **69,000 households** earning **less than \$25,000**.

- 52,498 (+/- 1,652) renter-occupied → between 1,311 and 21,531 in income-restricted affordable housing
- 16,173 (+/- 781) owner-occupied

Between 2010 and 2013, DOSP reached **7,403 units**, or **11%** of at-risk households – most owner-occupied.

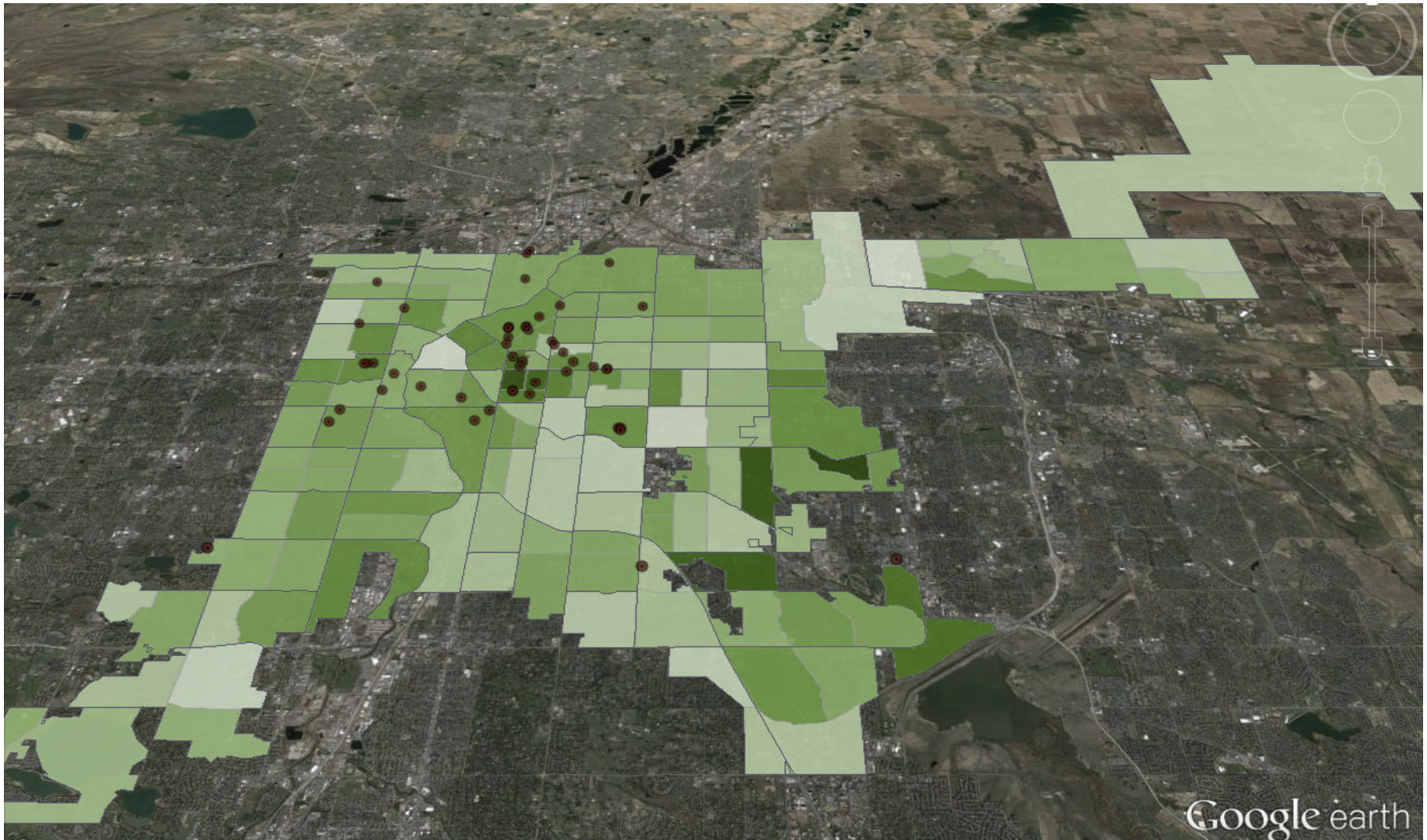
If DOSP continues funding energy efficiency improvement projects at the rate it did from 2010 to 2013 (about 1,851 homes per year), it will take an additional 33 years and \$40.2 million to reach every home in need.

DOSP-funded Single-Family Units, 2010 to 2013, and Households Making < \$25,000 a Year



Source: U.S. Census Bureau, 2008-2012 American Community Survey; IRS 990 tax filings 2012

DOSP-funded Nonprofit Offices, 2010 – 2013



Source: U.S. Census Bureau, 2008-2012 American Community Survey; IRS 990 tax filings 2012

Community Needs Overview

In Denver, there are nearly **69,000 households** earning **less than \$25,000**.

- **About 11,000** have an African-American head of household
- **About 20,000** have a Hispanic head of household

Of households earning less than \$25,000 a year, roughly **76% are renter-occupied** and **24% are owner occupied**.

In Denver, there are **21,531** income-restricted affordable housing units (and only 1,311 reserved for people making less than 30% AMI) – out of a total 288,191 (+/- 1,357) citywide.

In Denver, about 20% of people over age five speak Spanish at home.

Questions?