

# City & County of Denver and Xcel Energy Franchise Agreement

**Finance & Governance Committee**

*July 8, 2025*



# AGENDA

Franchise Agreement Overview

Franchise Agreement Goals

Negotiated Agreement &  
Benefits to Denverites

Timeline & Next Steps



# FRANCHISE AGREEMENT: OVERVIEW



## WHAT

A 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 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 & BENEFITS

## 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

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

## Accelerate renewable energy transition

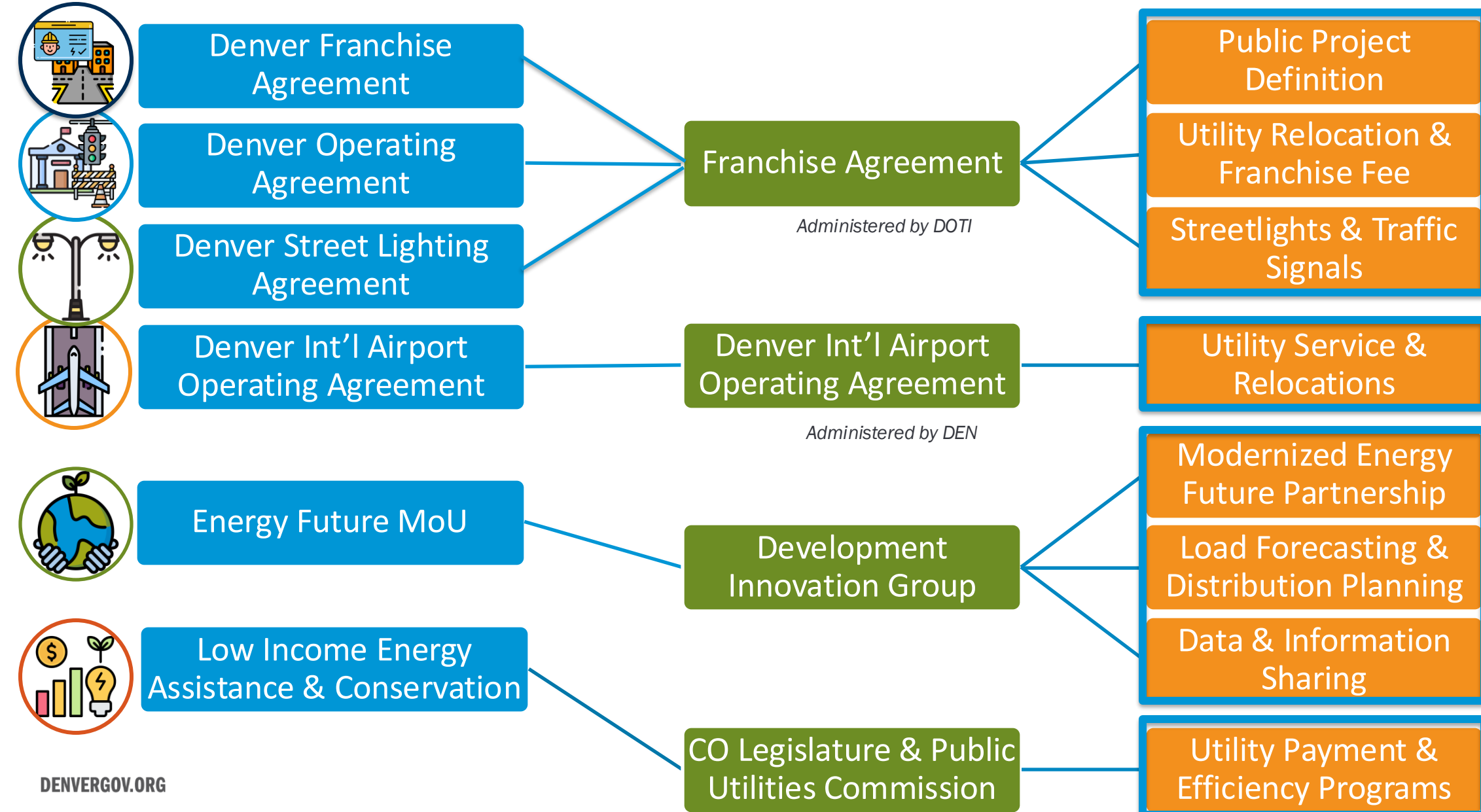
- ✓ Establish Denver Development Innovation Group (DDIG)
- ✓ Advance clean energy infrastructure

## Benefits to Denverites

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

## CURRENT FRAMEWORK

## UPDATED FRAMEWORK



# FRANCHISE AGREEMENT TIMELINE

## City Council

### Summer 2025

- [Jun 23] Budget & Policy Committee
- [July 8] Finance & Governance Committee
- [July 14] First Reading
- [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

***New Agreement Effective Date: January 1, 2027***

# COUNCIL REQUEST:

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



## CCD & Xcel Energy Franchise Agreement



*Requires Council, Public Voter, and Public Utility Commission Approval*

- *Ordinance 25-0922 refers the Franchise Agreement to Denver Voters*



## Denver International Airport Operating Agreement



*Requires Council Approval*

- *Ordinance 25-0987 approves the DEN Operating Agreement*

DOTI respectfully requests  
**Denver City Council approval**  
of the CCD Franchise  
Agreement and DEN  
Operating Agreement,  
marking another step  
forward in re-securing  
Denver's Gold standard  
Franchise Agreement and its  
significant benefits to  
Denverites.

***Next 20-year term:***

*Jan 1, 2027 – Dec 31, 2046*



# DRAFT Ballot Referral Language

Shall the City and County of Denver approve the terms of a twenty-year franchise contract, starting January 1, 2027, with Public Service Company of Colorado (Xcel Energy) to continue its program for undergrounding overhead electrical lines, maintaining infrastructure safety, and partnering with the City for emergency management coordination, and to require that Xcel Energy continue to pay the City for reasonable use of public rights-of-way and other City property necessary to provide safe and reliable utility services for the benefit of the City, its residents, and its businesses?



# 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](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

