

Gas Planning Pilot Communities: HB24-1370 Purpose & Process Overview

Denver City Council
Finance & Governance Committee
January 14, 2025

Dan Shea
Senior Energy Policy Advisor, CASR
Daniel.Shea@denvergov.org

Denver's Energy Policy Vision

Ensure that affordable, reliable, carbon-free energy is available where and when it's needed.

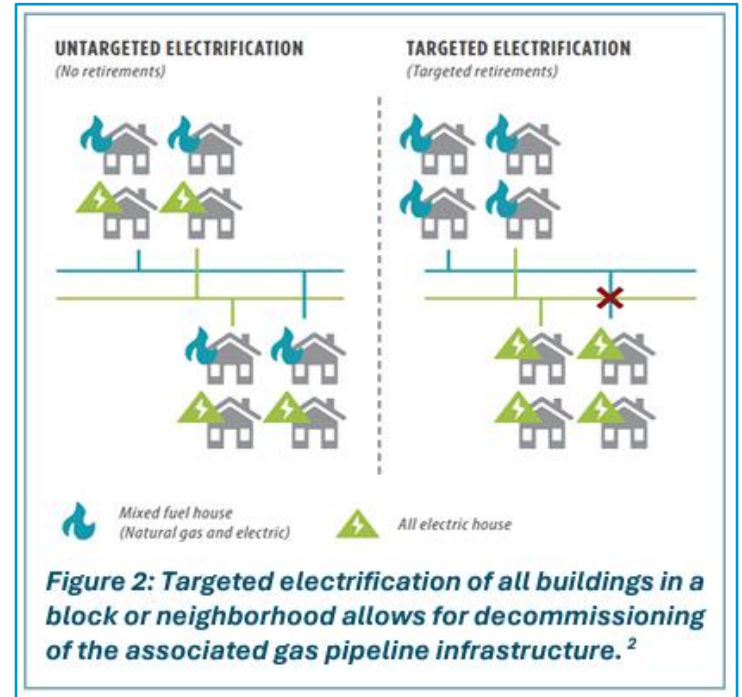
Ready the grid for rapid and widespread electrification.

Equitably transition to sustainable thermal alternatives.



Gas Planning & Targeted Electrification

- Gas infrastructure investments will become stranded assets in the future; to the greatest degree possible, we want to avoid those investments to keep customer costs low.
- Gas Infrastructure Planning process is designed to identify Non-Pipeline Alternative (NPAs) projects that avoid investments in new/upgraded pipelines.
- NPAs are closely tied to *targeted* electrification—an approach to electrification that identifies opportunities to decommission gas infrastructure.



Source: E3 Report for California PUC

House Bill 24-1370

Gas Planning Pilot Communities

Establish formal partnerships between dual-fuel utility and up to five communities to collaborate on “neighborhood-scale alternatives projects.”

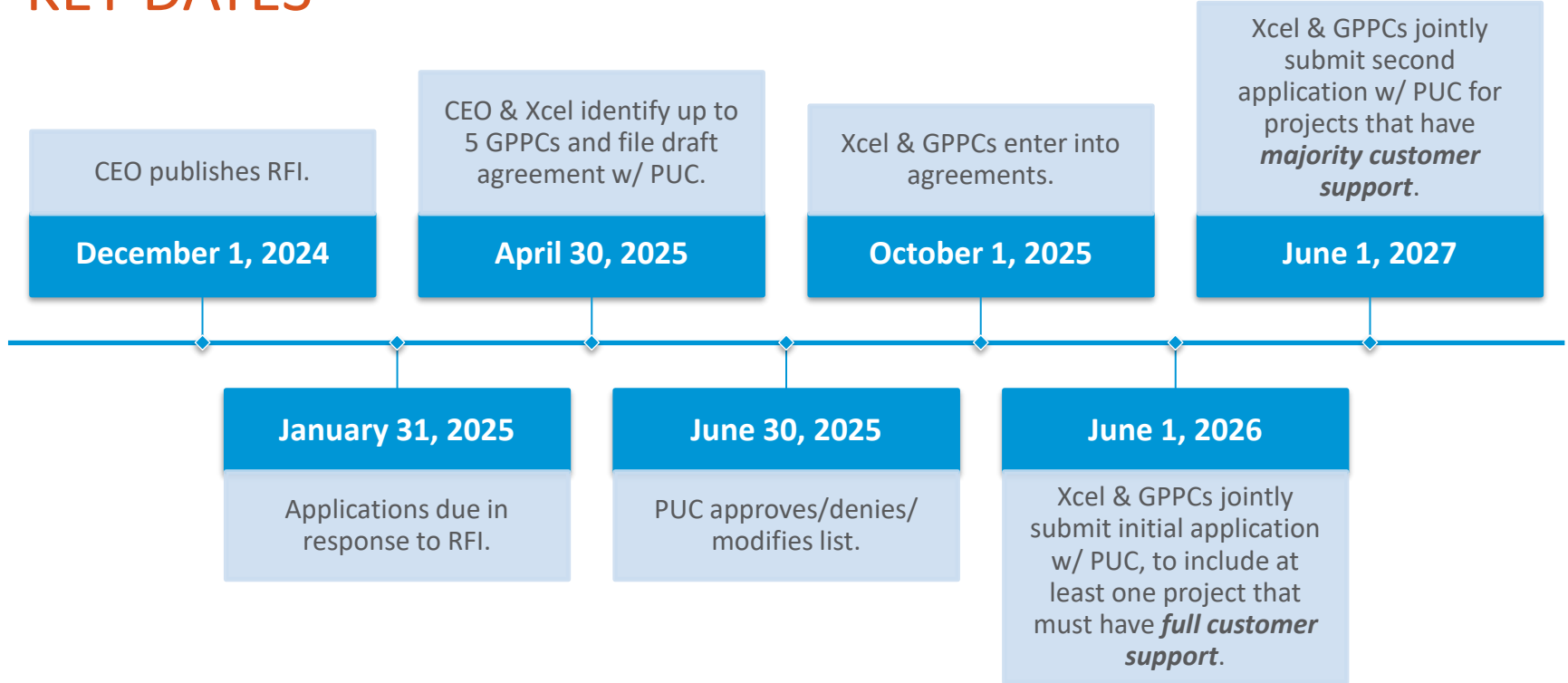
Projects will look for opportunities for targeted decommissioning or avoided expansion of the gas system—similar to “non-pipeline alternatives.”

Demonstration of resources for heating, cooling and hot water that don’t require burning gas (i.e., heat pumps, thermal energy networks, etc.).



“Geographically targets **decommissioning** a portion of the gas distribution system or **avoids expanding** the gas distribution system in order to serve new construction projects and provides alternative energy service to buildings within the project area that reduces future [GHG] emissions.”

KEY DATES



RFI Application: Community Requirements

- Alignment with local government's climate and energy affordability goals.
- Willingness to promote projects, conduct outreach, and engage with residents to increase potential for success.
- Commitment of staff and resources.

Additional criteria

- Home rule city/county
- Current franchise agreement w/ utility
- Demonstrated interest in thermal energy networks & geothermal projects
- Demonstration of local government support, such as through a council resolution/proclamation
- Project proposals

Denver's Priorities

Development of a **robust, replicable process** for future collaboration with Xcel Energy – a true partnership that will continue beyond 2027.

Serve as a **proving ground** for projects and technologies across multiple applications, including new builds & retrofits.

Leverage projects to **minimize gas infrastructure investments & scale** to meet Denver's ambitions.

Equity Impact: Service to Disproportionately Impacted (DI) Communities & Income Qualified (IQ) Customers

- Gas Infrastructure Planning proceedings already required to protect IQ customers & DI Communities
- HB24-1370 emphasizes the need to address affordability & equity
- Mapping must identify DI Communities in relation to projects
- Must assess project impacts on DI Communities & IQ customers
- Customer costs & estimated bill impacts will be an important consideration

Questions?