

XCEL ENERGY COLORADO: POWERING COLORADO & DENVER

DENVER CITY COUNCIL, BUDGET AND POLICY COMMITTEE
JANUARY 26, 2026



SERVING COLORADO

1.6 million

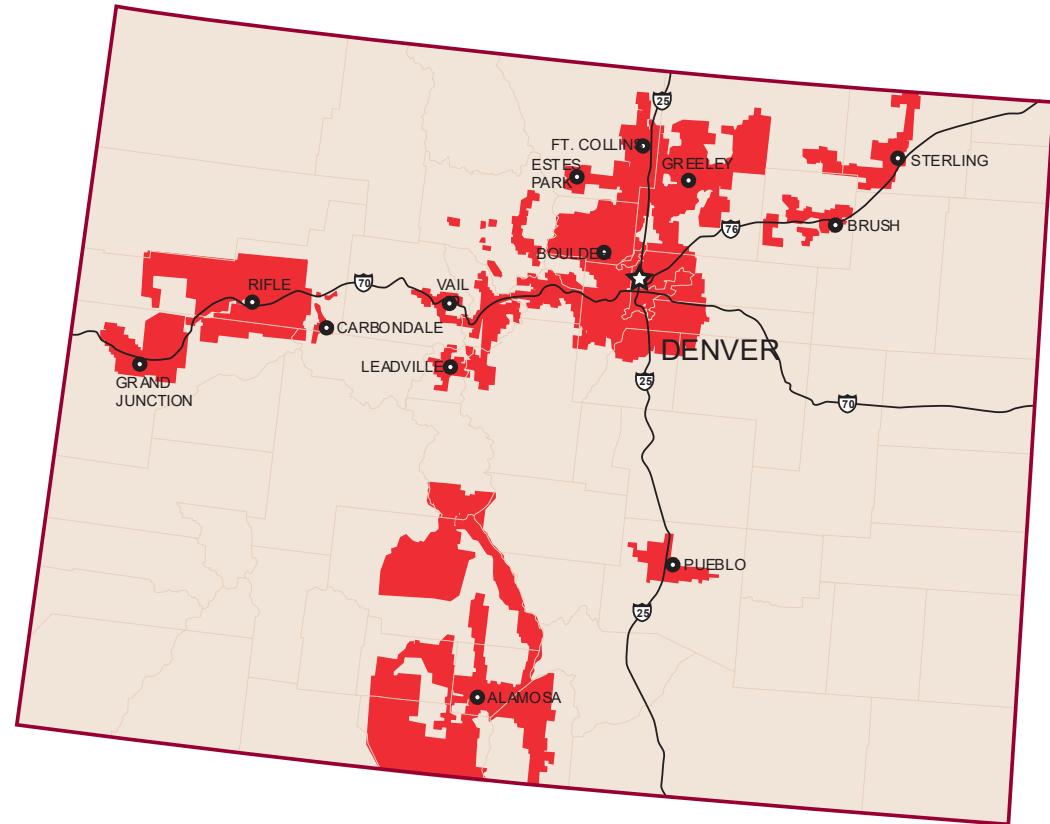
electric customers

1.7 million

natural gas customers

99.97%

electric reliability



OUR COMMITMENTS

At Xcel Energy, we are committed to **making energy work better for our customers**, helping them thrive every day.

WE DELIVER
EXCELLENT
SERVICE

We always strive to raise the bar on reliability, resilience, safety and affordability, because we know people depend on us to power their everyday.

WE MAKE
INTERACTIONS
EASIER

We never settle, continually looking for ways to make customer experiences and interactions simpler, more intuitive and more impactful.

WE GUIDE
WITH
EXPERTISE

We help customers and stakeholders meet their goals with the guidance, tools and options to choose the right energy and use it more efficiently.

WE LEAD THE
CLEAN
ENERGY
TRANSITION

We set ambitious goals and take action to achieve them, helping customers and the industry move toward a better, cleaner future.

OUR 2050 ENERGY GOALS

Safe



Clean



Reliable



Affordable



100% Carbon-Free Electricity

Net-Zero Natural Gas

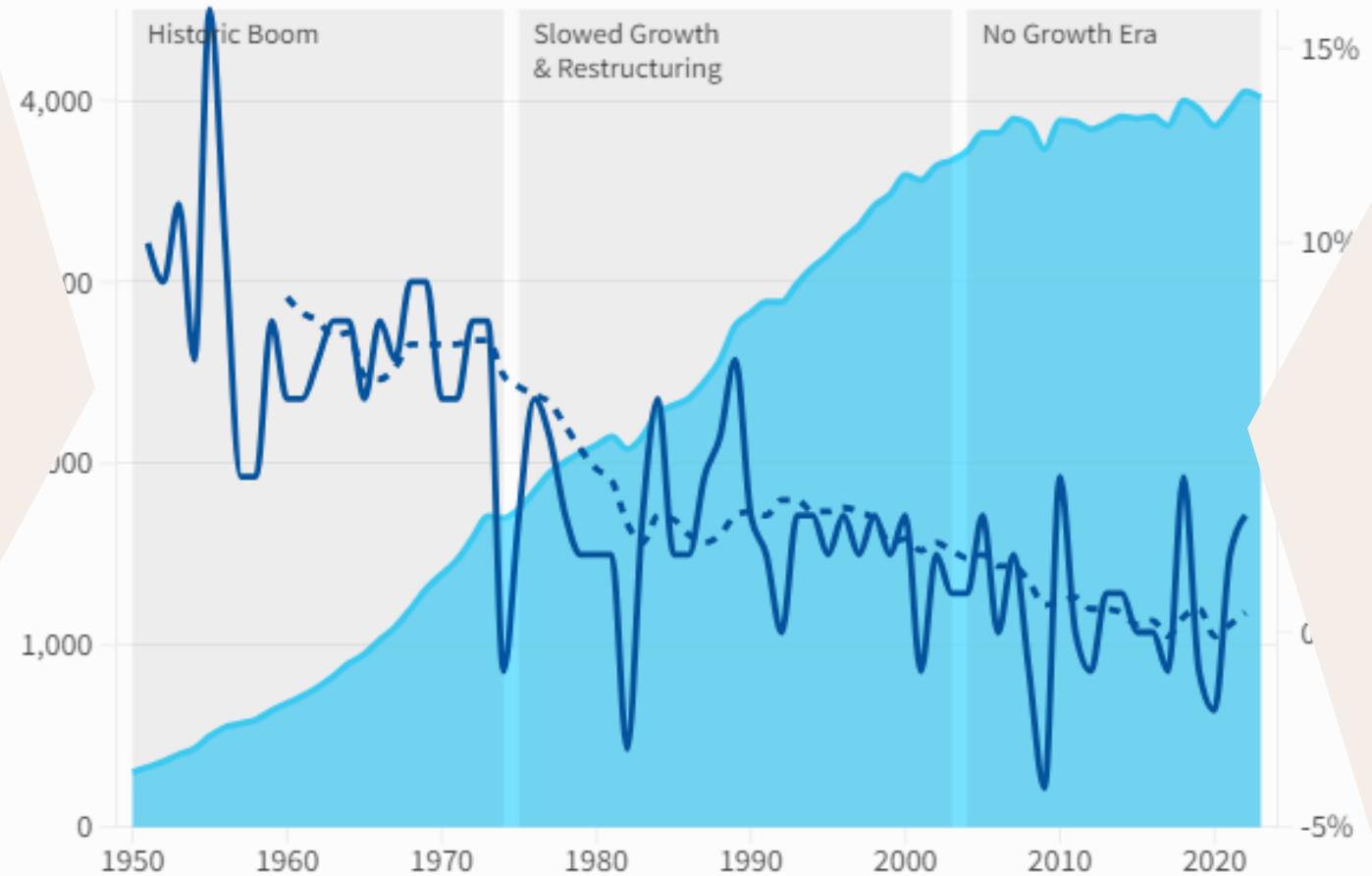
Zero-Carbon Transportation

U.S. ELECTRICITY DEMAND HAS STALLED FOR 50 YEARS



Historic Trends in U.S. Electricity Consumption

■ Year-Over-Year Growth Rate (%) ■ 10 Year Moving CAGR (%)
■ Annual U.S. Electric Consumption (TWh)

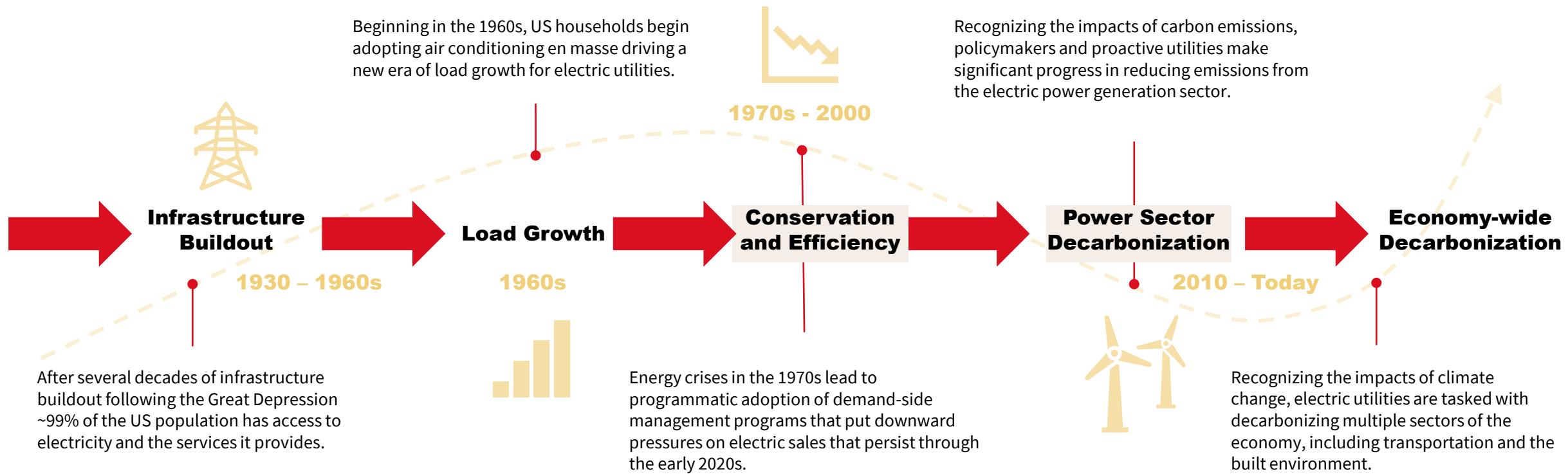


Source: [U.S. Energy Information Administration](#).

CSIS | ENERGY SECURITY AND CLIMATE CHANGE PROGRAM

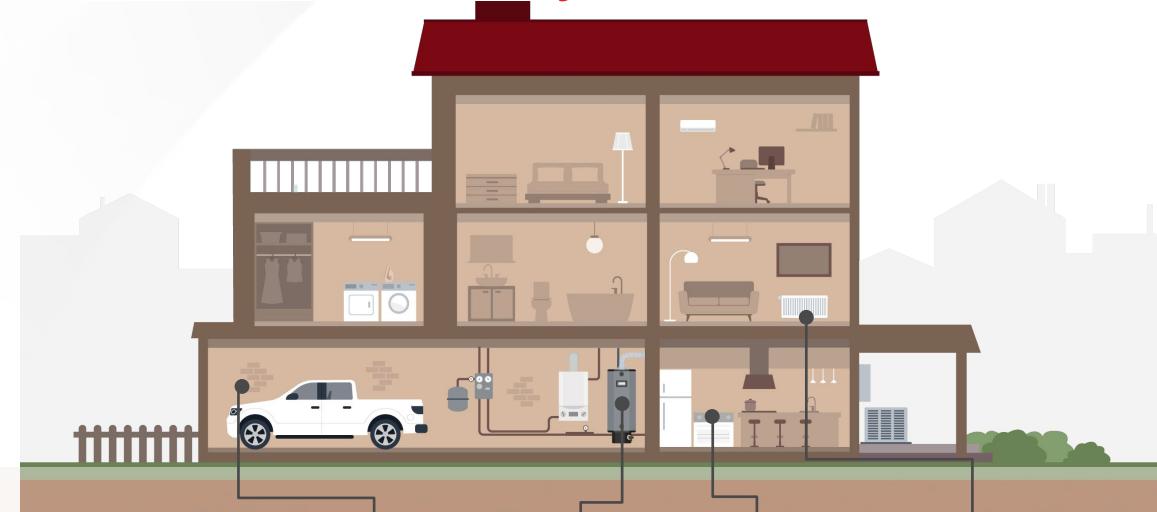
A Brief History of the Distribution Grid in the United States

The electric grid has been built out over the last century in tranches in response to various drivers of load growth and public policy objectives – a strategy that has worked well historically.



Electricity usage for ‘home of the future’ could jump by ~84% by 2040

Residential Customer Today



Typical Characteristics



ICE Vehicle



Gas Water Heater

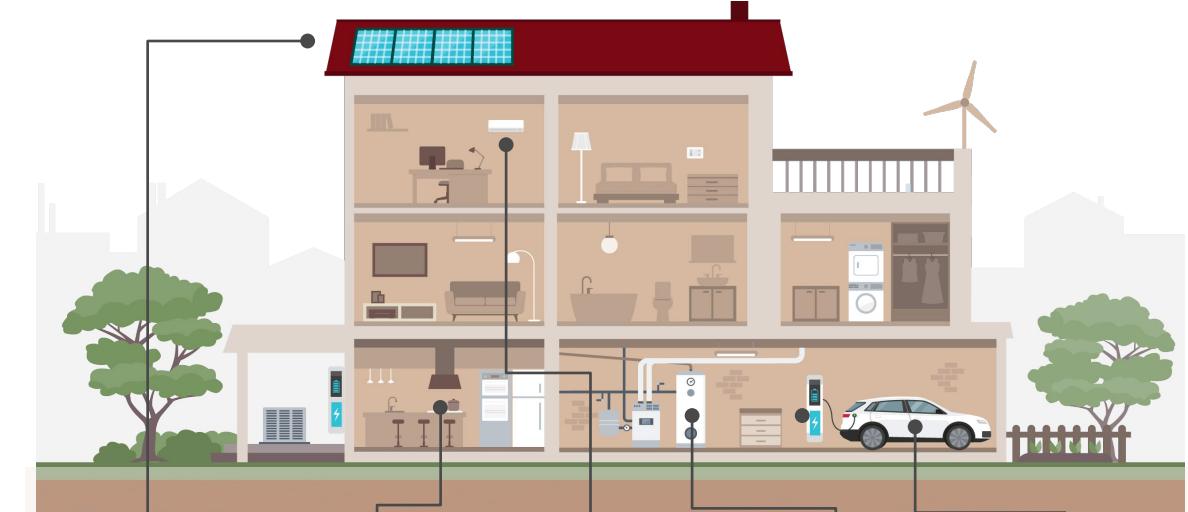


Gas Stovetop



Gas Furnace

Residential Customer of the Future



Rooftop Solar
~7kW



Electric Stovetop
~1.5kW



Elec. Space Heating
~8kW



Elec. Water Heating
~5kW



2 x EVs
(with 2 x L2 chargers)
~12kW

Avg. annual consumption (MWh)¹

6.9

Base load⁴

-4.7

Solar²

6.9

Base load

5.7

EV

4.8

BE

12.7

Average power consumption can increase by ~84% if a premise has solar but can go up to ~150% without solar



© 2025 Xcel Energy Inc. 1. Based on average 2023 residential customer consumption by household; Load Research; 2 Self-consumption only; 3. 2,171 sq.ft.; 4. Base load includes all appliances installed in the house (e.g., fridge, etc.)

Source: Xcel Energy, EIA

INVESTING IN COLORADO



PRIORITIES OF OUR FIVE-YEAR INVESTMENT PLAN

1

Accelerating Clean Energy Delivery

By investing in clean energy generation and electrification programs, we're helping create a sustainable future, aligning with customer aspirations and state-level policy goals.

2

Customer-Focused Innovation and Value

We are deepening our commitment to efficiently serve and support our customers' needs through a best-in-class experience, while keeping bills as low as possible.

3

Expanding the Grid

We are scaling our electrical system to meet growing demands, ensuring our customers have electricity when and where they need it – today, tomorrow and in the decades to come.

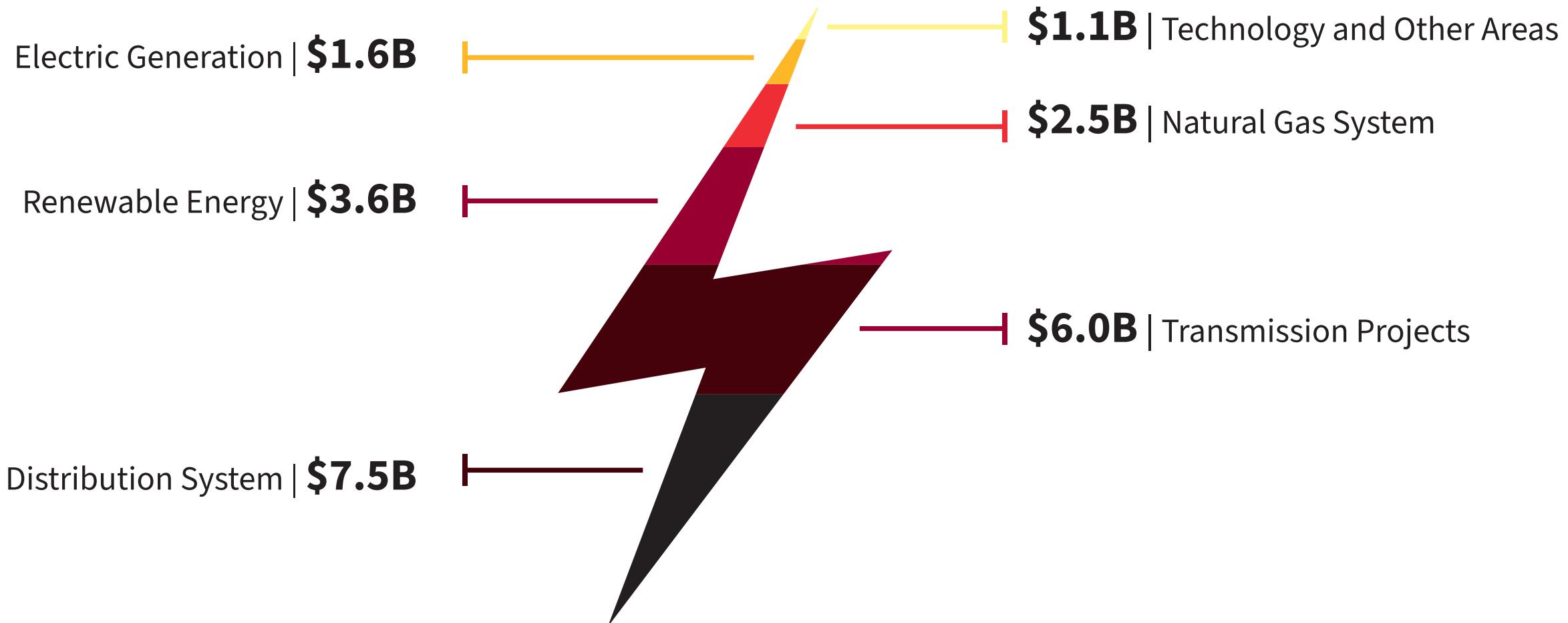
4

Modernizing for Safety and Resilience

We're modernizing and hardening our grid to withstand increasing extreme weather events and national security threats, while ensuring continued safe operation.

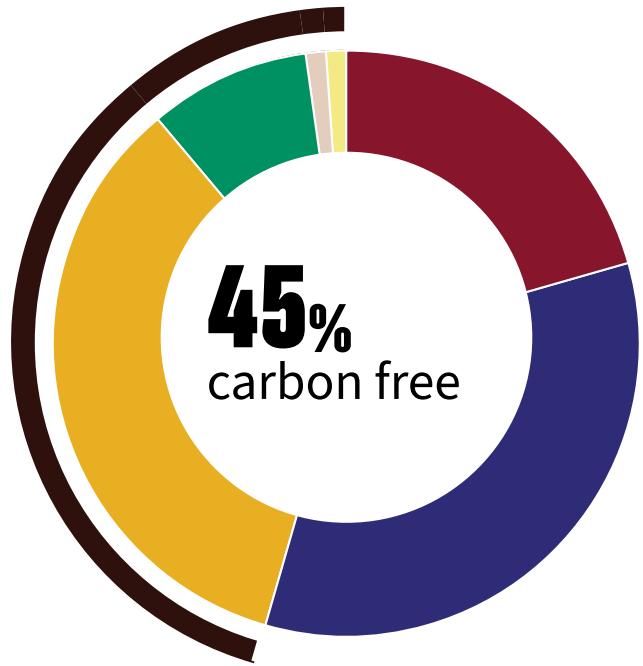
OUR \$22.3B INVESTMENT IN COLORADO

Investments will be made from 2025-2029



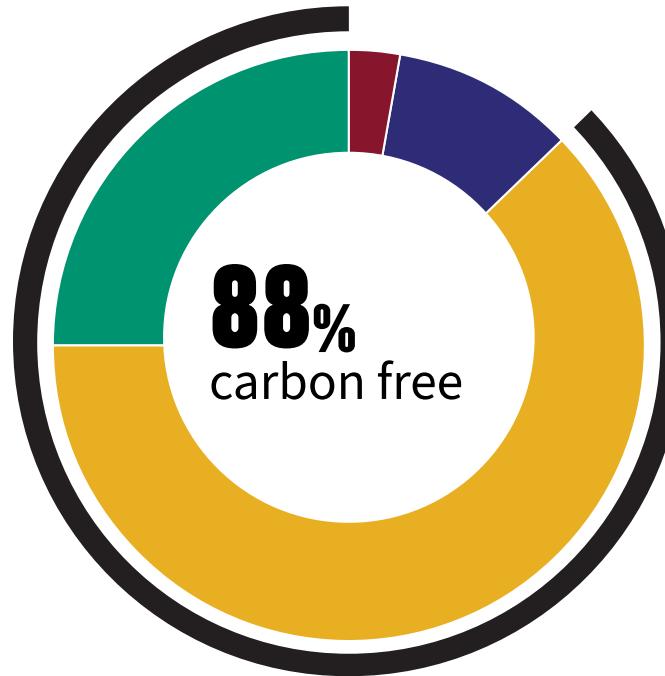
LEADING THE CLEAN ENERGY TRANSITION

2024 Energy Mix – Colorado



Coal	21%
Natural Gas	34%
Wind	35%
Solar	9%
Other Renewable	1%
Other	<1%

2030 Projected Energy Mix



Coal	3%
Natural Gas	10%
Wind	62%
Solar	25%

Total System by Megawatts 7,300 at Summer Peak Hour

COLORADO'S POWER PATHWAY

\$1.7 Billion

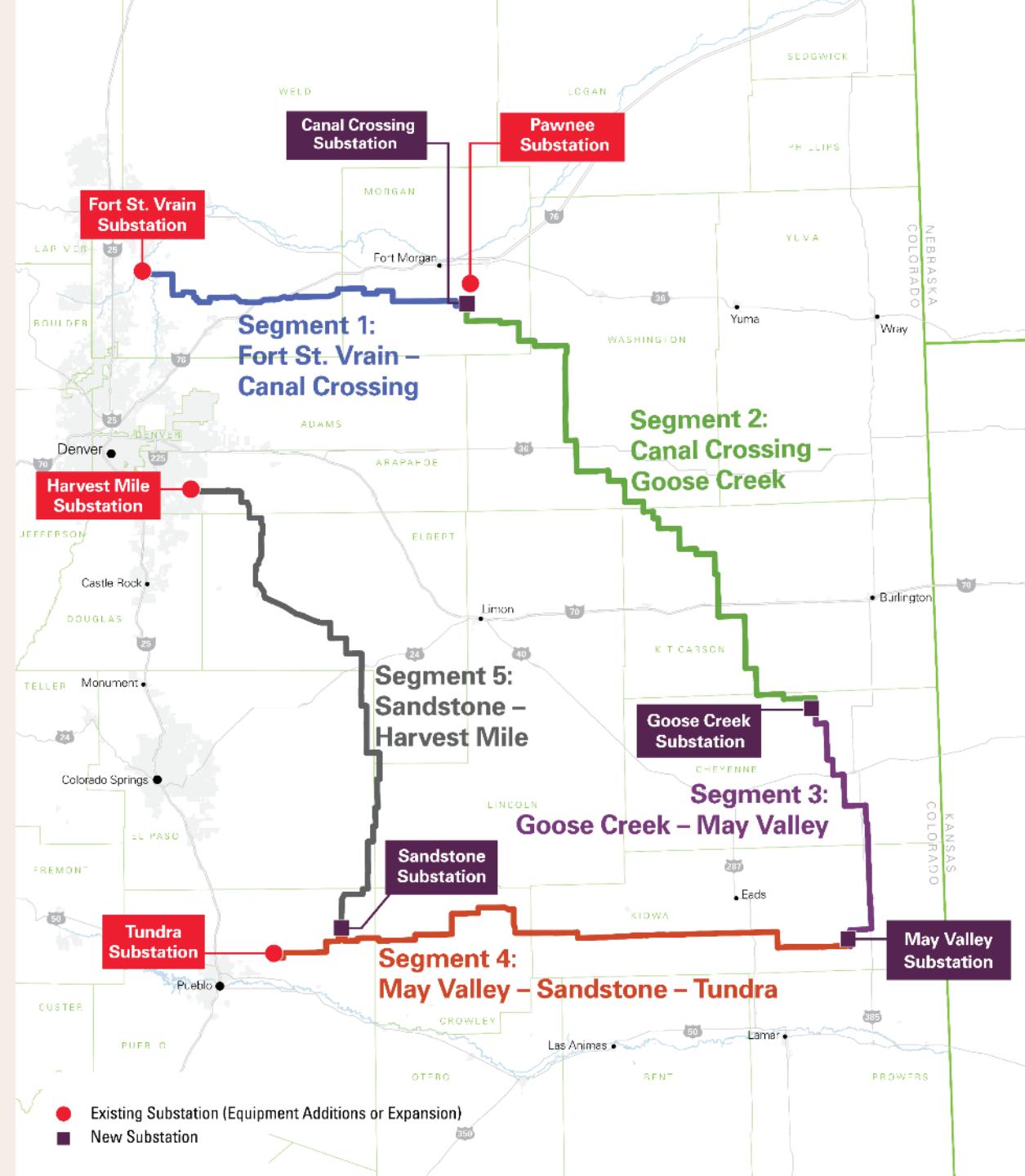
proposed investment that will boost the economy, connect new energy resources, increase reliability of the grid and ensure availability during severe weather.

2.5 Million Homes

equivalent of the energy provided by the Pathway.

5,500 MW

of new wind, solar and other resources through 2030 to reliably and affordably meet the state's growing electricity needs.



2025-29 DISTRIBUTION SYSTEM PLAN

References:

C.R.S. 40-2-132

4 C.C.R. 723-3-3525 – 3542

Current Proceeding – 24A-0547E



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PROPOSED BUDGET SPEND

Proposed (\$M) Budgets			
	2026	2027	2028
Type 1			
Capacity	\$413	\$478	\$472
Asset Health & Reliability	\$320	\$342	\$364
Tools & Comms	\$13	\$16	\$17
Type 2			
Mandates	\$54	\$55	\$56
New Business	\$137	\$145	\$159
EADA			
EADA	\$2	\$3	\$1
TOTAL	\$939	\$1,039	\$1,069

- **Type 1** – Include capital investments and operations and maintenance expenses related to equipment upgrades, repair and replacement programs, conductor replacements, pole repair and replacement, overhead rebuilds, inspection, modeling, asset data gathering, defect corrections, and major line rebuilds. These activities must align with state decarbonization goals and other federal, state, regional, and local air quality and decarbonization targets, standards, plans, and regulations. These activities are eligible for recovery through the Grid Modernization Adjustment Clause (GMAC) as mandated by SB 24-218.
- **Type 2** - Refers to the recovery of costs associated with distribution activities that do not automatically qualify for Type 1 cost recovery under the GMAC as mandated by SB 24-218 and are subject to performance screens tied to interconnection, energization, and flexible load and demand management.
- **EADA** – Equipment to Advance Distribution Activities, SB 24-218 authorizes the investment in distribution equipment that are typically made to achieve economies of scale, address supply chain concerns, and support grid modernization efforts.

APPROVED BUDGET SPEND

Approved (\$M) Budgets			
	2026	2027	2028
Type 1			
Capacity	\$413	\$478	\$472
Tools & Comms <i>(Capacity)</i>	\$0	\$0	\$0
Type 2			
Asset Health & Reliability	\$0		
Mandates	\$0		
New Business	\$0	\$100*	\$200*
Tools & Comms <i>(Asset Health)</i>	\$0		
EADA			
EADA	\$2	\$3	\$1
TOTAL	\$415	\$581	\$673

- Approved budget and associated cost recovery is subject to ARRR (Application for Rehearing, Reargument, and Reconsideration) filed January 13, 2026.
- Type 2 cost recovery currently subject to a further filing with the Colorado PUC to determine the final performance screens.
- 2026 GMAC is effective January 1, 2026. Advice Letter filing 25AL-0535E.

* *Budget constraints*

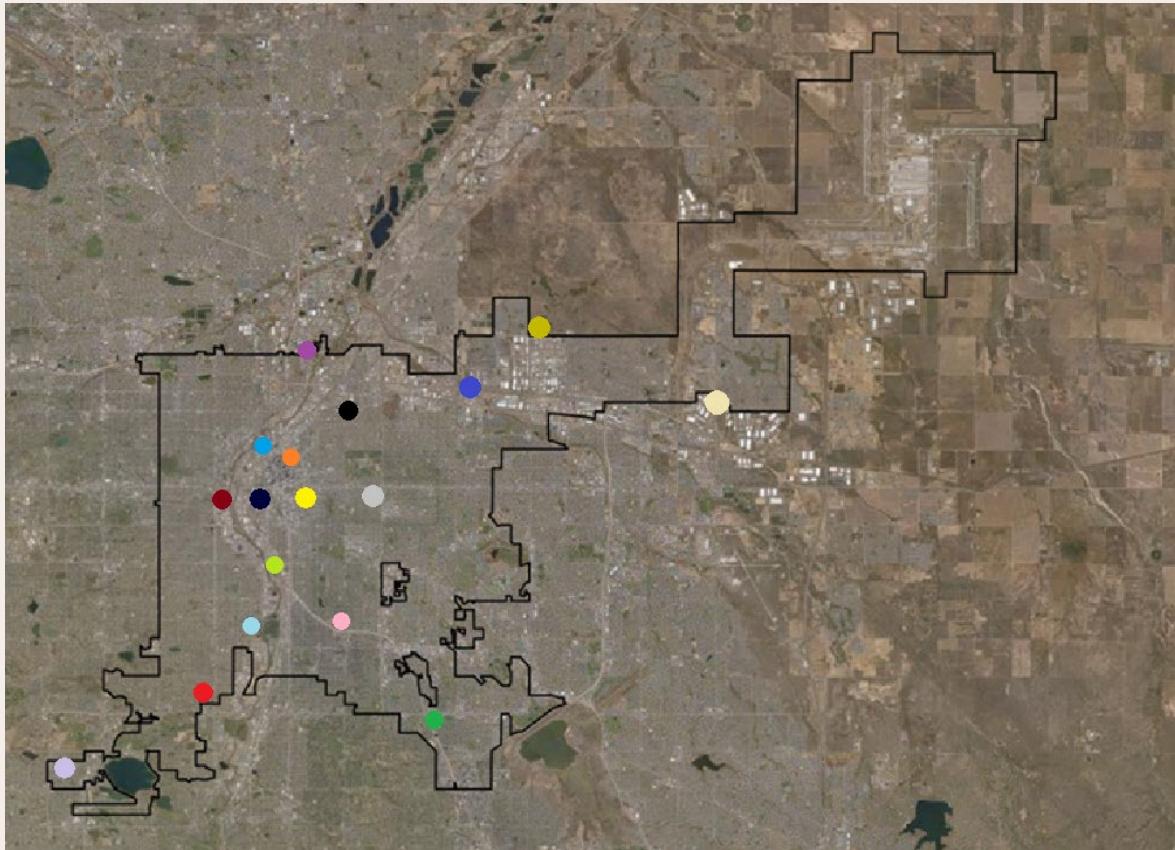
DISTRIBUTION CAPACITY INVESTMENTS IN DENVER SUMMARY

- Capacity Investments are spanning the entire county to support growth
- Long-range plans are accounting for Denver's decarbonization goals
- Deploying a Non-Wire Alternative project near Empower Field
- Evaluating Thermal Energy Networks for downtown and River Mile/Ball Arena
- Evaluating non-standard substations and distribution voltages for the River Mile and Ball Arena development
- Investments outside of Denver will support the city and county's growth and are not represented here

Denver Distribution Capacity Projects	Indicative Estimates (\$M)
Distribution	\$695.9
Transmission	\$512.9
2026-2035 Estimate*	\$1,203.3

* Distribution and Transmission cost estimates are indicative and will change as projects progress through the project life-cycle

PLANNED CAPACITY EXPANSION OF FEEDER LINES IN DENVER



Denver Terminal

DTER_TR8 (\$47M, 2027)

DTER_TR9 (\$20M, 2029)

DTER1307 (\$2.9M, 2026)

Capitol Hill

CAPI2754 (\$2M, 2026)

California

CALI1839 (\$2.7M, 2026)

Dakota

DAKO_TR3 (\$15M, 2029)

DAKO1584 (\$2.7M, 2026)

DAKO1585 (\$3.1M, 2027)

University

UNIV1024 (\$5.6M, 2026)

UNIV1924 (\$6.7M, 2026)

UNIV1926 (\$5.1M, 2026)

UNIV1025 (\$2.8M, 2027)

Harrison

HARR_TR3 (\$29M, 2027)

HARR1779 (\$3.6M, 2026)

HARR1850 (\$4.6M, 2026)

Sheridan

SHER2011 (\$4.8M, 2028)

SHER2017 (\$4.9M, 2028)

Argo

ARGO1563 (\$4.1M, 2026)

Tower

TOWE_TR3 (\$25M, 2026)

South

SOUT_TR3 (\$19.4M, 2029)

Allison

ALLI_TR3 (\$21M, 2030)

Monaco

MONA_TR2 (\$28M, 2028)

North

NORT1434 (\$4.3M, 2026)

Sandown

SAND1746 (\$3M, 2027)

SAND1748 (\$5.5M, 2026)

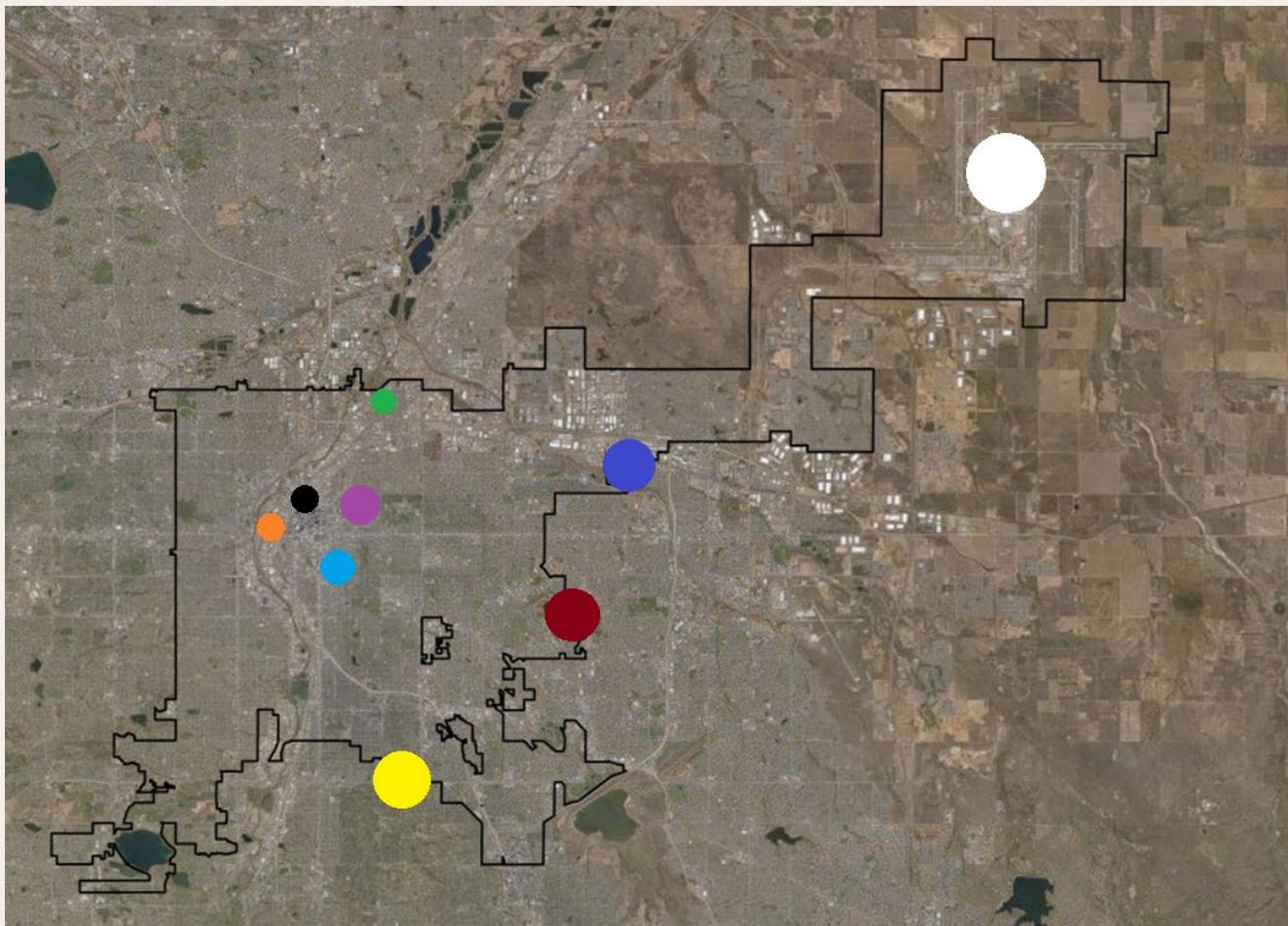
Havana

HAVA1944 (\$3.4M, 2026)

HAVA1938 (\$3.7M, 2026)

HAVA1943 (\$3.5M, 2027)

PLANNED NEW DISTRIBUTION SUBSTATIONS IN DENVER



Barker Substation

\$210M, 2027-2029

River Mile Substation

\$95.3M, 2035

Ball Arena Substation

\$96.6M, 2032

Uptown Substation

\$101.5M, 2030

Poder Substation

\$55.4M, 2028

Lowry Substation

\$65.7M, 2031

Cherry Knolls Substation

\$69.4M, 2035

DIA South Substation

\$43.5M, 2028

DIA North Substation

\$74.3M, 2030

Central Park Substation

\$65.4M, 2031

Cherry Creek Substation

\$70.5M, 2035

DENVER INTERNATIONAL AIRPORT ELECTRIC GRID INVESTMENT

Planning for DEN growth.

Currently served by two dedicated distribution substations:

Barr Lake and Sky Ranch

Planned investment in the next 5 years:

\$117.80 Million

Two New Substations planned:

DIA South Substation

\$43.5M by 2028

DIA North Substation

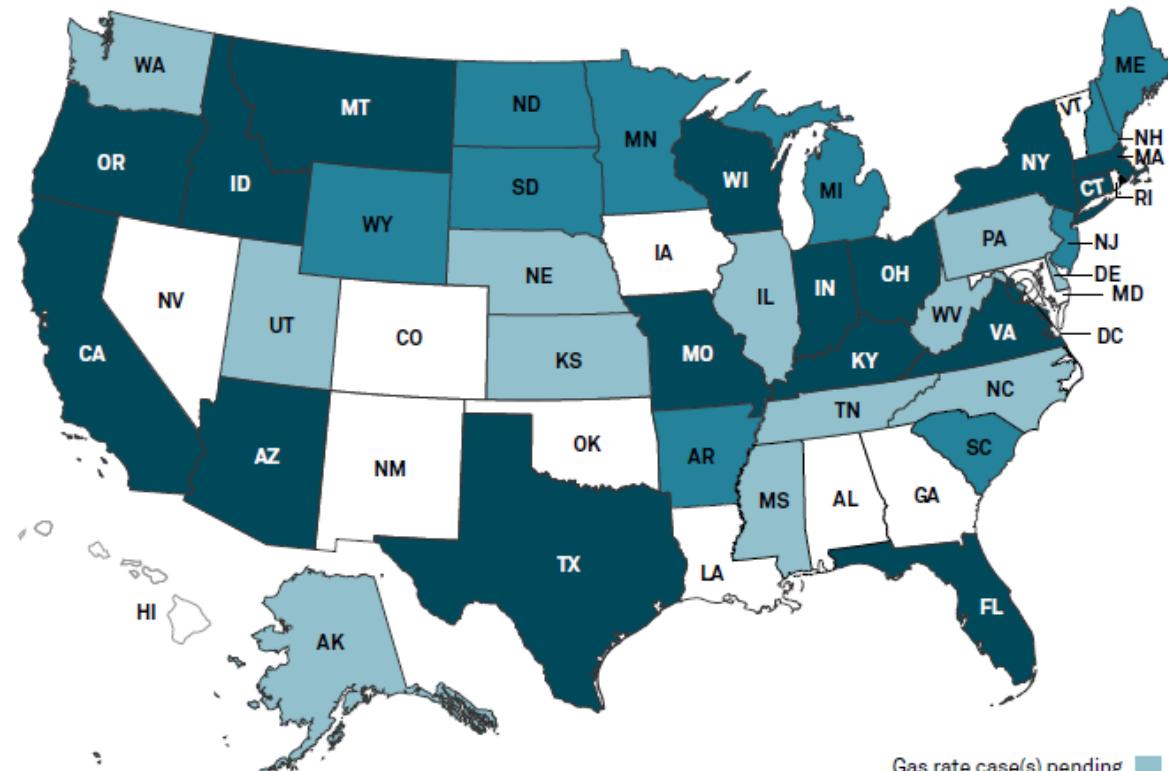
\$74.3M by 2030



CUSTOMER IMPACTS AND AFFORDABILITY

CURRENT RATE CASE ACTIVITY

Pending energy rate cases



As of Sept. 29, 2025.

Electric rate case(s) pending.

Gas rate case(s) pending.

Both electric and gas rate case(s) pending.

Source: Regulatory Research Associates, a group within S&P Global Commodity Insights.

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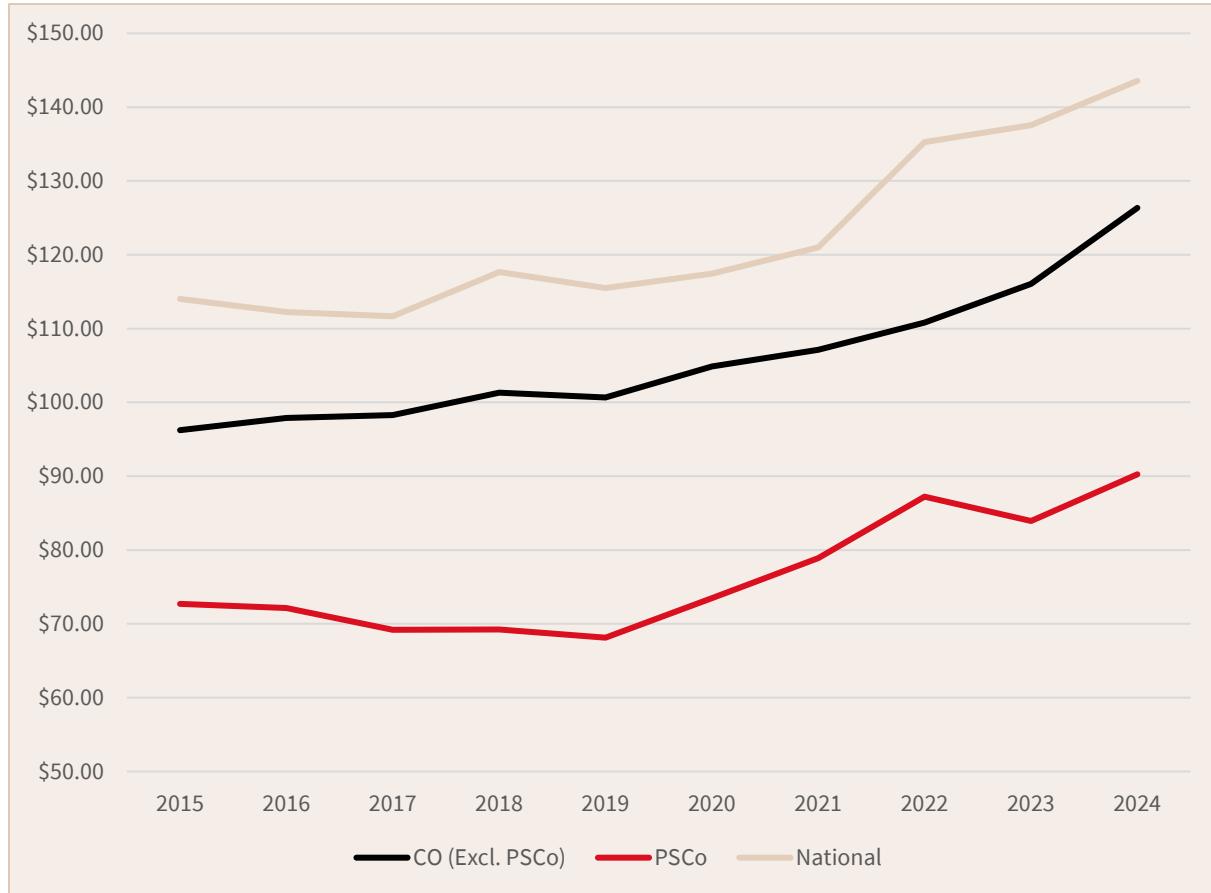
– As of Sept. 28, 2025, RRA was following 104 pending energy rate cases — 56 for electric and 48 for gas utilities.

– In the pending cases, the utilities seek rate changes aggregating to a **\$19.3 billion** net rate increase, excluding the later-year steps of multiyear rate requests.

– The returns on equity (ROEs) requested in the pending cases range from 9.70% to 13.00%, averaging 10.67% in the vertically integrated electric rate cases, 10.49% in the electric distribution rate cases, 9.70% in the electric limited-issue rate proceedings where an ROE is specified, 10.65% in the gas base rate cases and 10.40% in the gas limited-issue rate proceedings where an ROE is specified.

– While capital spending remains a critical driver of rate case activity, the utilities have also reported that ongoing inflation is impacting their cost of operations and driving requested rate hikes.

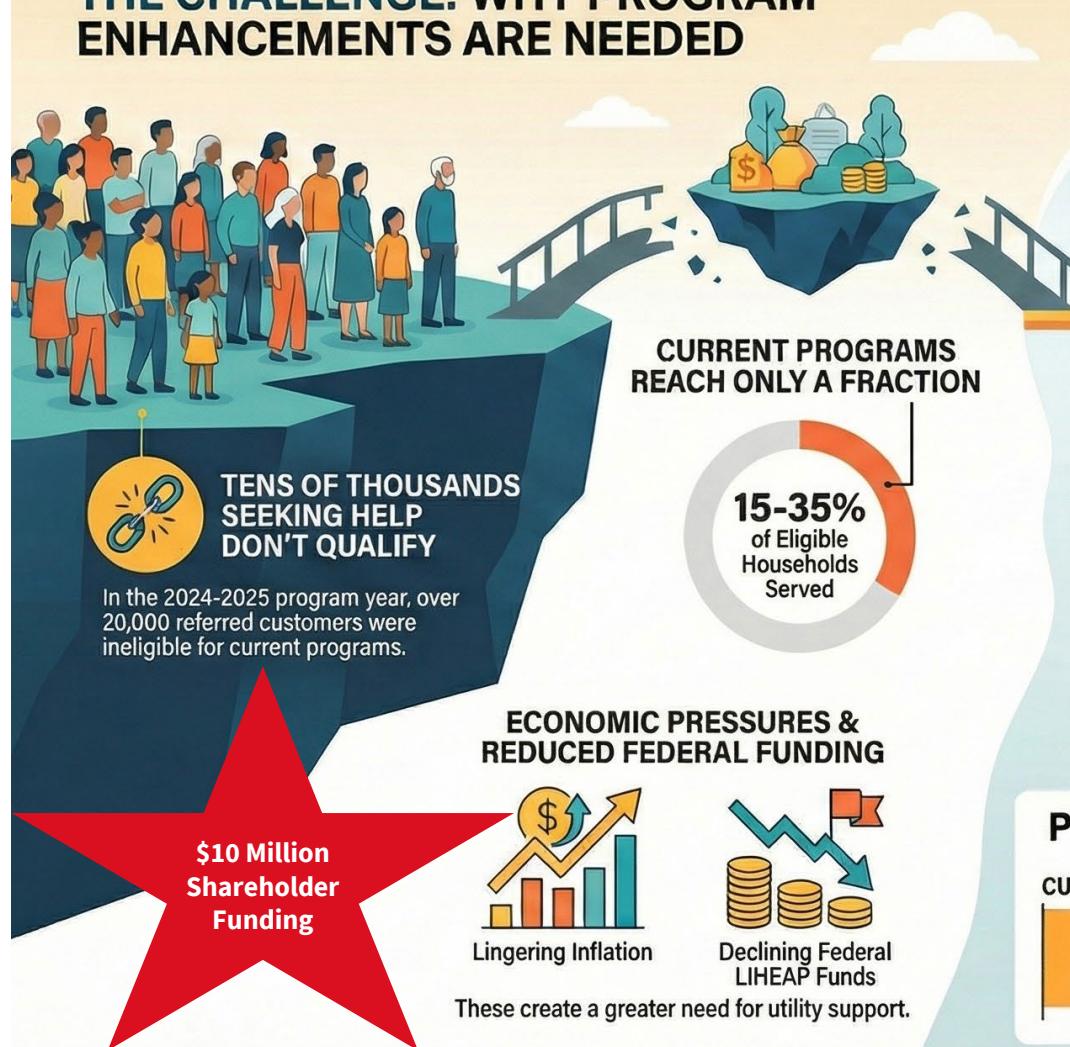
ELECTRIC RESIDENTIAL BILL COMPARE



PSCo Residential bills have been about 37% below the national average over the past decade. Customer usage vs other CO utilities is about 15% lower due primarily to DSM Programs

Enhancing Energy Assistance for Colorado Customers

THE CHALLENGE: WHY PROGRAM ENHANCEMENTS ARE NEEDED



THE SOLUTION: A THREE-PART PLAN TO IMPROVE SUPPORT



PROJECTED IMPACT

CURRENT PROGRAM (2024-2025)

~63,000
Customers Supported

PROJECTED GOAL

~120,000
Customers Supported

THE DENVER FRANCHISE AGREEMENT & ITS BENEFITS

WHAT THE DENVER FRANCHISE AGREEMENT UNLOCKS

1 Efficiency

Streamlined infrastructure coordination reduces duplication, delays, and rework.

2 Coordination

Direct alignment between the City and Xcel accelerates approvals and project delivery.

3 Savings

Lower infrastructure and relocation costs free up dollars for public priorities.

WHAT IS A FRANCHISE AGREEMENT? HOW DOES IT HELP DENVER?

- A franchise agreement is a contract between Public Service Company of Colorado (PSCo) and Denver which grants the right allowing Xcel Energy to provide electric, gas, steam and chilled water services to customers in the City and County of Denver
- Franchise Agreements grant PSCo the right to occupy streets, other rights-of-way and property located in a municipality on a non-exclusive basis
- Denver benefits from a franchise fee (3%) from every customer **generating more than \$30 million per year for Denver's general fund**
- **Relocations of infrastructure for public projects at Xcel Energy's cost**
- **Undergrounding program provides funds for undergrounding of transmission lines.**
- Municipality negotiates a franchise with PSCo as a governmental entity and receives service from PSCo as a customer.
- PSCo can and does operate in some jurisdictions without a Franchise Agreement.



OUR COMMITMENT



- Council listening tour
- Internal Rapid Response team
- Enhanced community engagement
- Registered Neighborhood Organization Meetings
- Local Community Stakeholder convenings
- Sponsorship of key community events

QUESTIONS?



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