

# XCEL ENERGY COLORADO: POWERING COLORADO & DENVER

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



# SERVING COLORADO

**1.6 million**

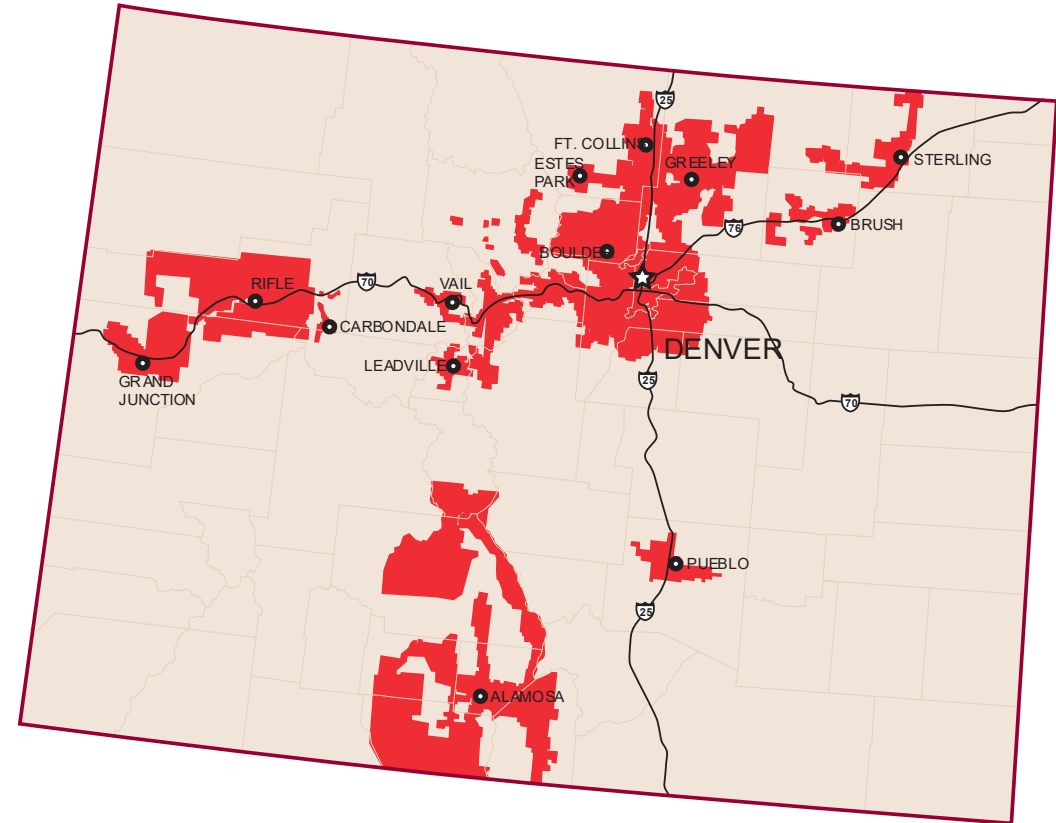
electric customers

**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

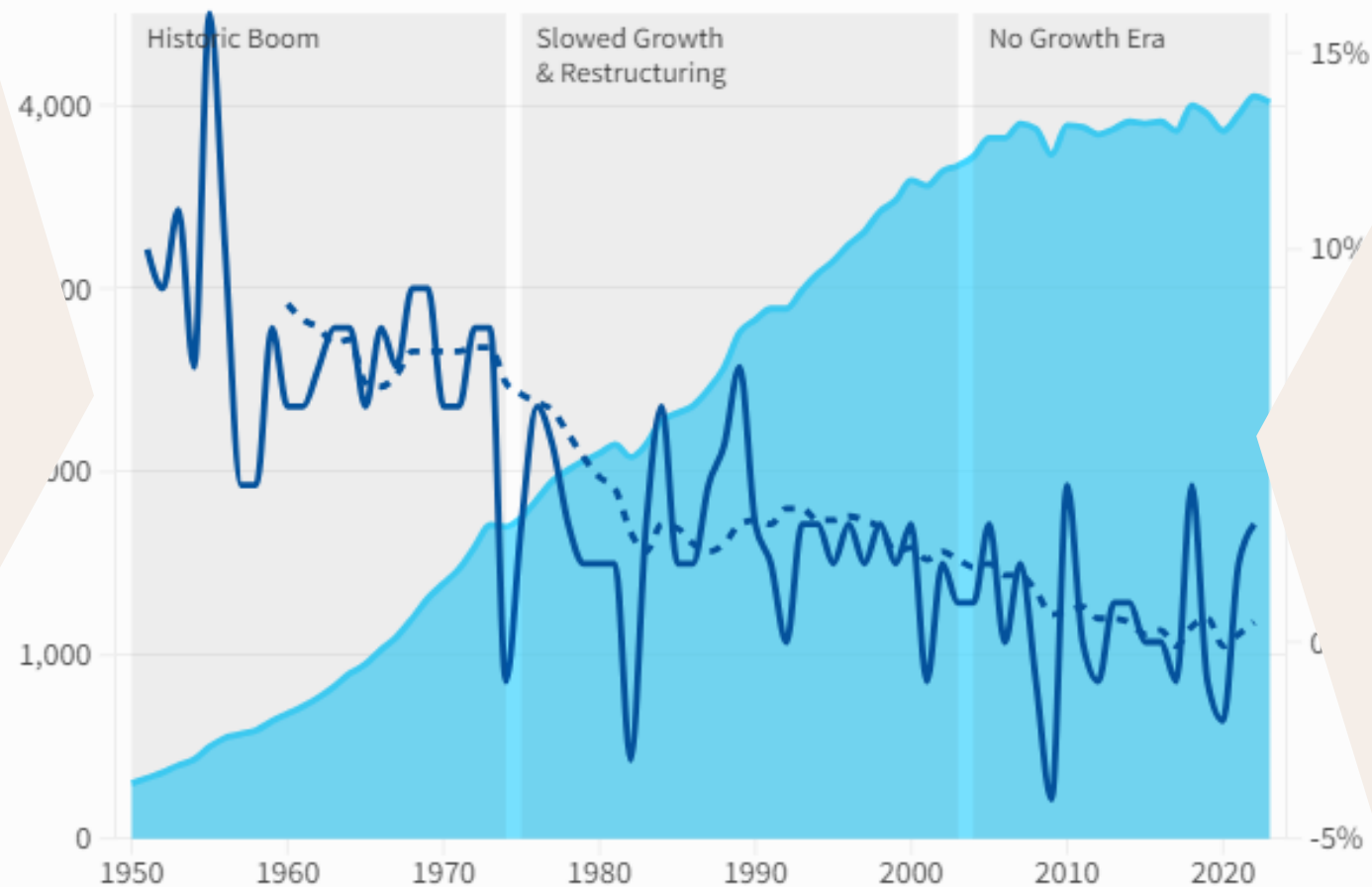
**Net-Zero** Natural Gas

**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)

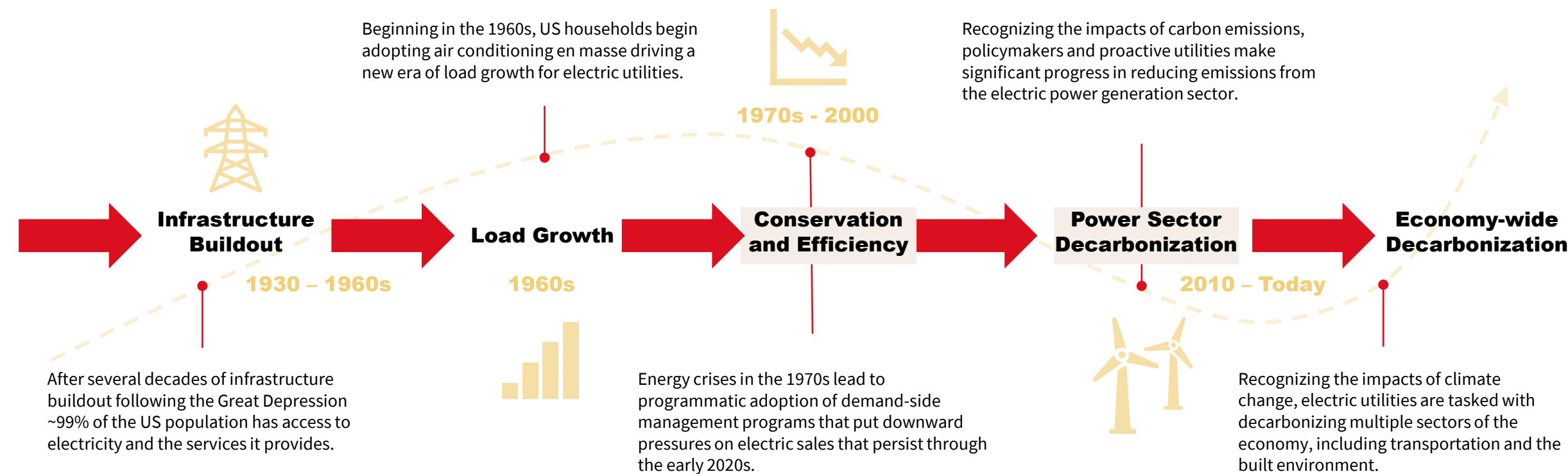


Source: [U.S. Energy Information Administration](#).

CSIS | ENERGY SECURITY AND  
CLIMATE CHANGE PROGRAM

# A Brief History of the Distribution Grid in the United States

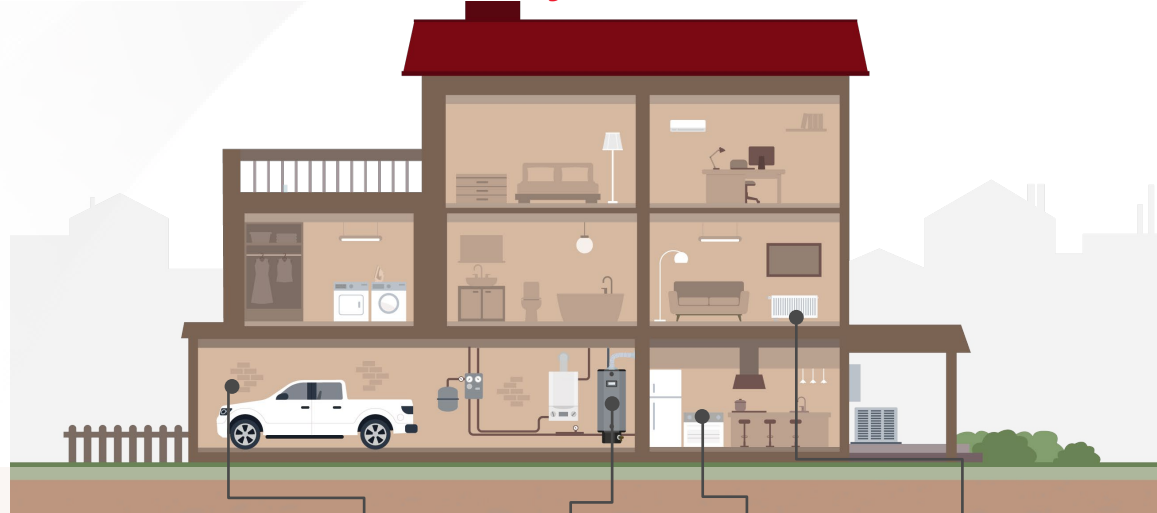
The electric grid has been built out over the last century in tranches in response to various drivers of load growth and public policy objectives – a strategy that has worked well historically.



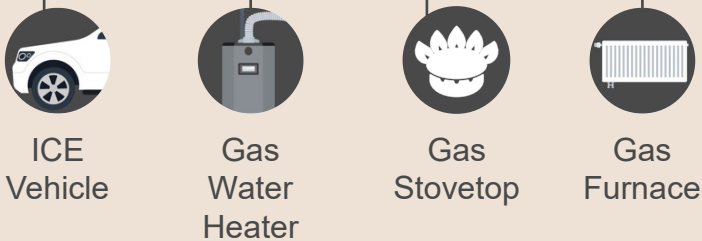


# Electricity usage for 'home of the future' could jump by ~84% by 2040

## Residential Customer Today



### Typical Characteristics

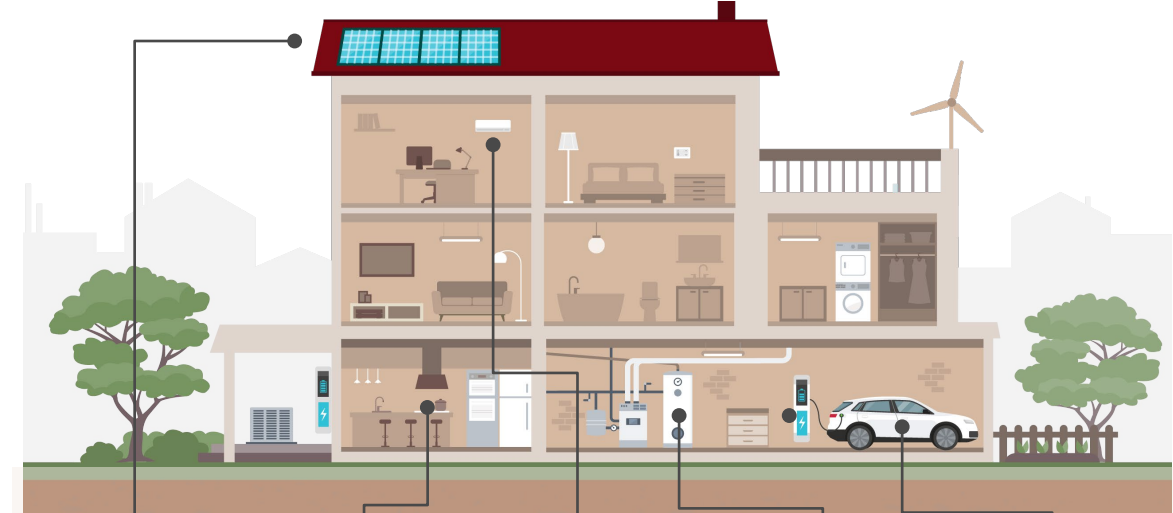


### Avg. annual consumption (MWh)<sup>1</sup>



Base load<sup>4</sup>

## 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



Solar<sup>2</sup> Base load EV BE

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



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# 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

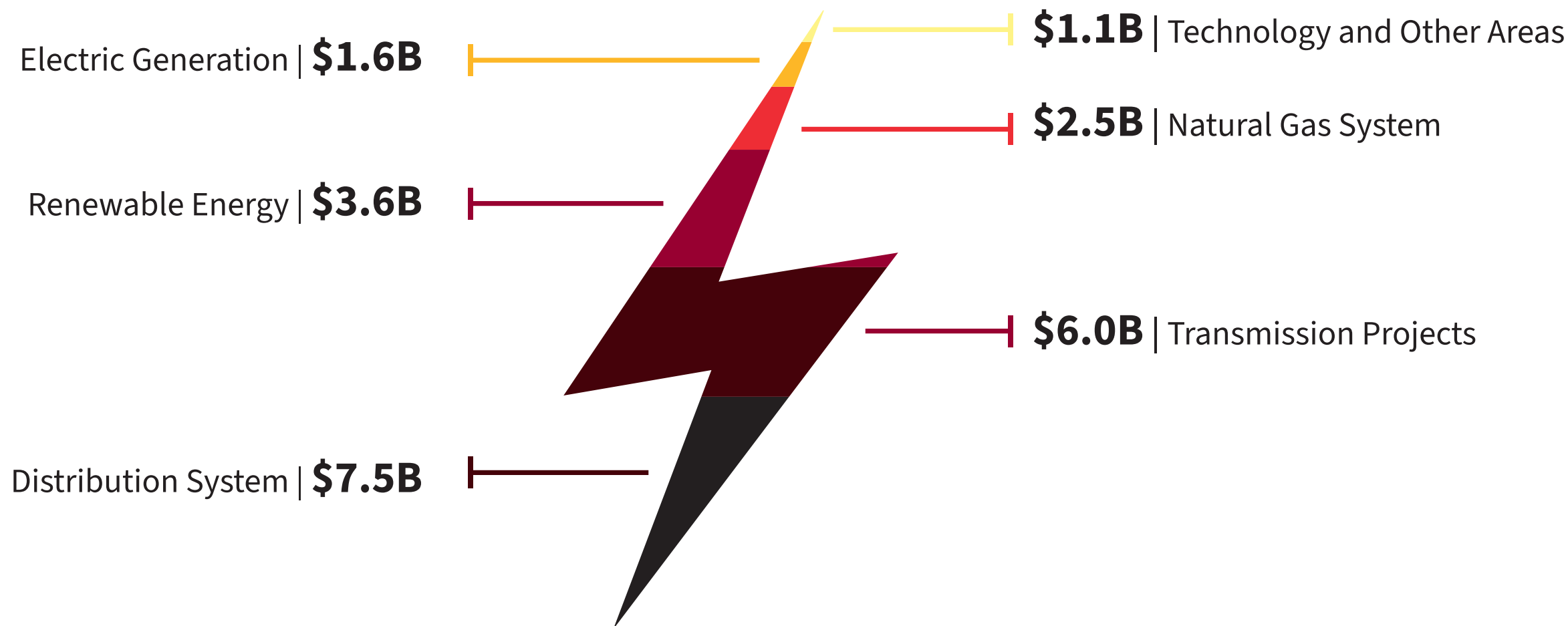
## **Modernizing for Safety and Resilience**

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



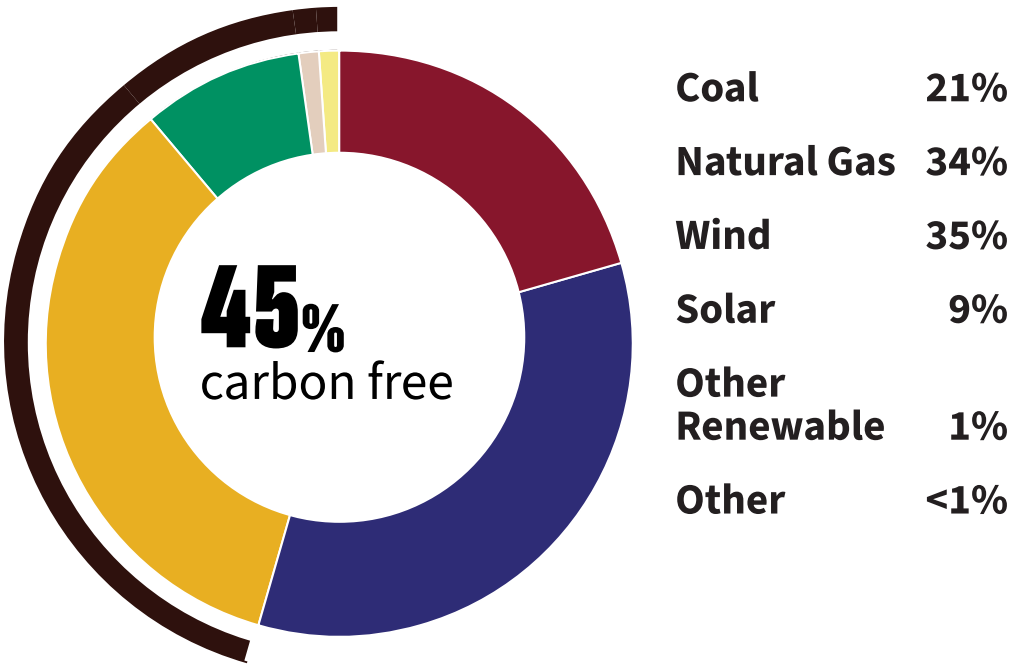
# OUR \$22.3B INVESTMENT IN COLORADO

Investments will be made from 2025-2029

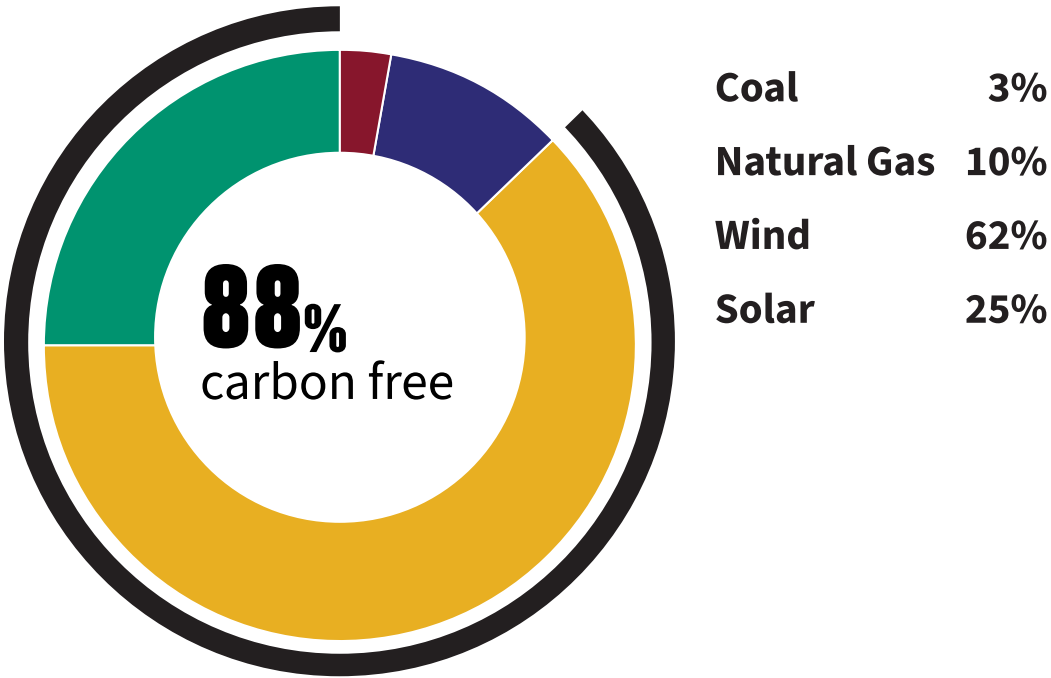


# LEADING THE CLEAN ENERGY TRANSITION

2024 Energy Mix – Colorado



2030 Projected Energy Mix



Total System by Megawatts 7,300 at Summer Peak Hour

# COLORADO'S POWER PATHWAY

## \$1.7 Billion

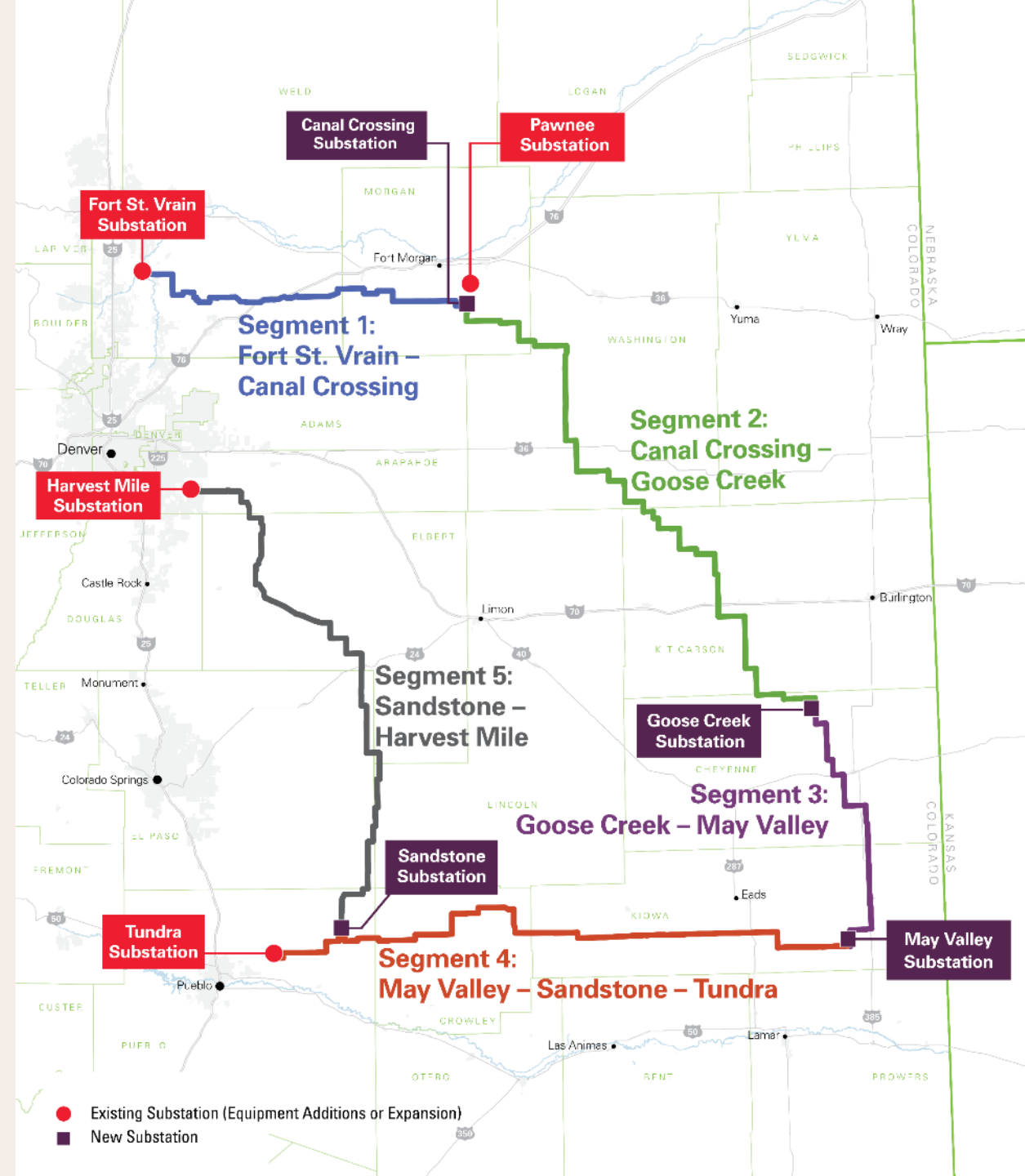
proposed investment that will boost the economy, connect new energy resources, increase reliability of the grid and ensure availability during severe weather.

## 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



# PROPOSED BUDGET SPEND

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

- **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 is 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         |  |
| <b>Type 1</b>                       |              |              |              |  |
| Capacity                            | \$413        | \$478        | \$472        |  |
| Tools & Comms <i>(Capacity)</i>     | \$0          | \$0          | \$0          |  |
| <b>Type 2</b>                       |              |              |              |  |
| Asset Health & Reliability          | \$0          |              |              |  |
| Mandates                            | \$0          | \$100*       | \$200*       |  |
| New Business                        | \$0          |              |              |  |
| Tools & Comms <i>(Asset Health)</i> | \$0          |              |              |  |
| <b>EADA</b>                         |              |              |              |  |
| EADA                                | \$2          | \$3          | \$1          |  |
| <b>TOTAL</b>                        | <b>\$415</b> | <b>\$581</b> | <b>\$673</b> |  |

- 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

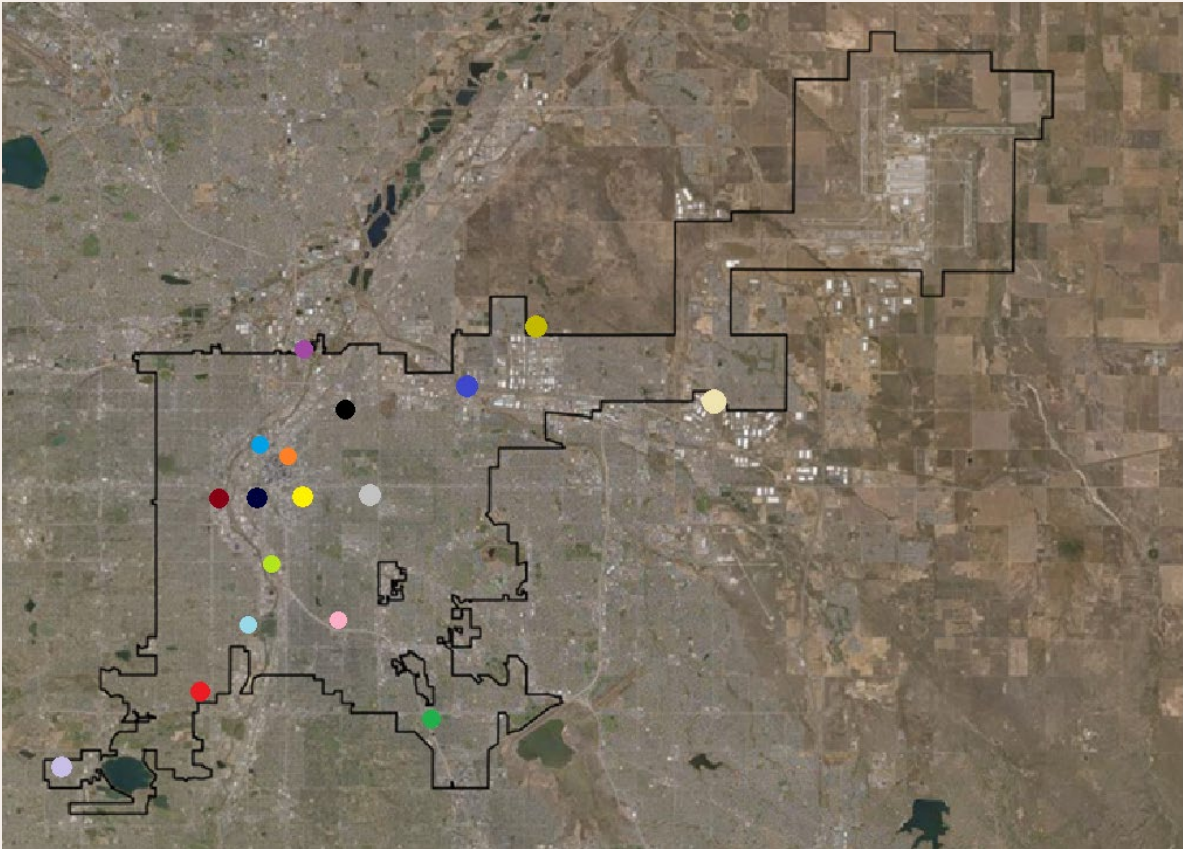
- Capacity Investments are spanning the entire county to support growth
- Long-range plans are accounting for Denver’s decarbonization goals
- Deploying a Non-Wire Alternative project near Empower Field
- Evaluating Thermal Energy Networks for downtown and River Mile/Ball Arena
- Evaluating non-standard 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



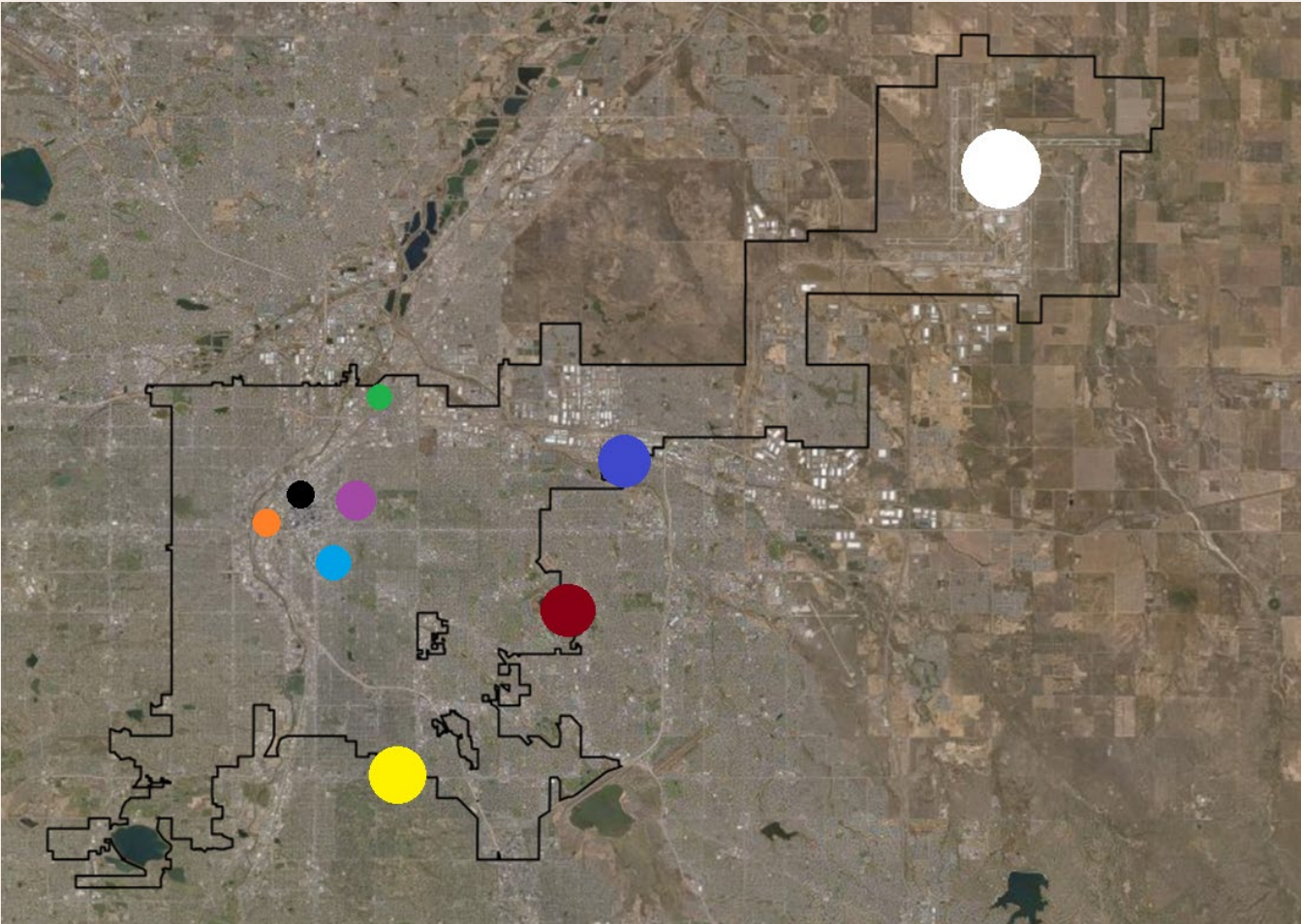
# PLANNED CAPACITY EXPANSION OF FEEDER LINES IN DENVER



|  |   |
|--|---|
| <b><u>University</u></b>  | <b><u>South</u></b>    |
| UNIV1024 (\$5.6M, 2026)  | SOUT_TR3 (\$19.4M, 2029)  |
| UNIV1924 (\$6.7M, 2026)  | <b><u>Allison</u></b>  |
| UNIV1926 (\$5.1M, 2026)  | ALLI_TR3 (\$21M, 2030)  |
| UNIV1025 (\$2.8M, 2027)  | <b><u>Monaco</u></b>   |
| <b><u>Harrison</u></b>    | MONA_TR2 (\$28M, 2028)  |
| HARR_TR3 (\$29M, 2027)   | <b><u>North</u></b>    |
| HARR1779 (\$3.6M, 2026)  | NORT1434 (\$4.3M, 2026)   |
| HARR1850 (\$4.6M, 2026)  | <b><u>Sandown</u></b>  |
| <b><u>Sheridan</u></b>    | SAND1746 (\$3M, 2027)   |
| SHER2011 (\$4.8M, 2028)  | SAND1748 (\$5.5M, 2026)   |
| SHER2017 (\$4.9M, 2028)  | <b><u>Havana</u></b>  |
| <b><u>Argo</u></b>      | HAVA1944 (\$3.4M, 2026)   |
| ARGO1563 (\$4.1M, 2026)  | HAVA1938 (\$3.7M, 2026)   |
| <b><u>Tower</u></b>     | HAVA1943 (\$3.5M, 2027)   |
| TOWE_TR3 (\$25M, 2026)   |   |

|   |  |  |
|---|--|--|
| <b><u>Denver Terminal</u></b>  | <b><u>Capitol Hill</u></b>  | <b><u>Dakota</u></b>  |
| DTER_TR8 (\$47M, 2027)  | CAP12754 (\$2M, 2026)  | DAKO_TR3 (\$15M, 2029)   |
| DTER_TR9 (\$20M, 2029)  | <b><u>California</u></b>    | DAKO1584 (\$2.7M, 2026)  |
| DTER1307 (\$2.9M, 2026)   | CALI1839 (\$2.7M, 2026)  | DAKO1585 (\$3.1M, 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**



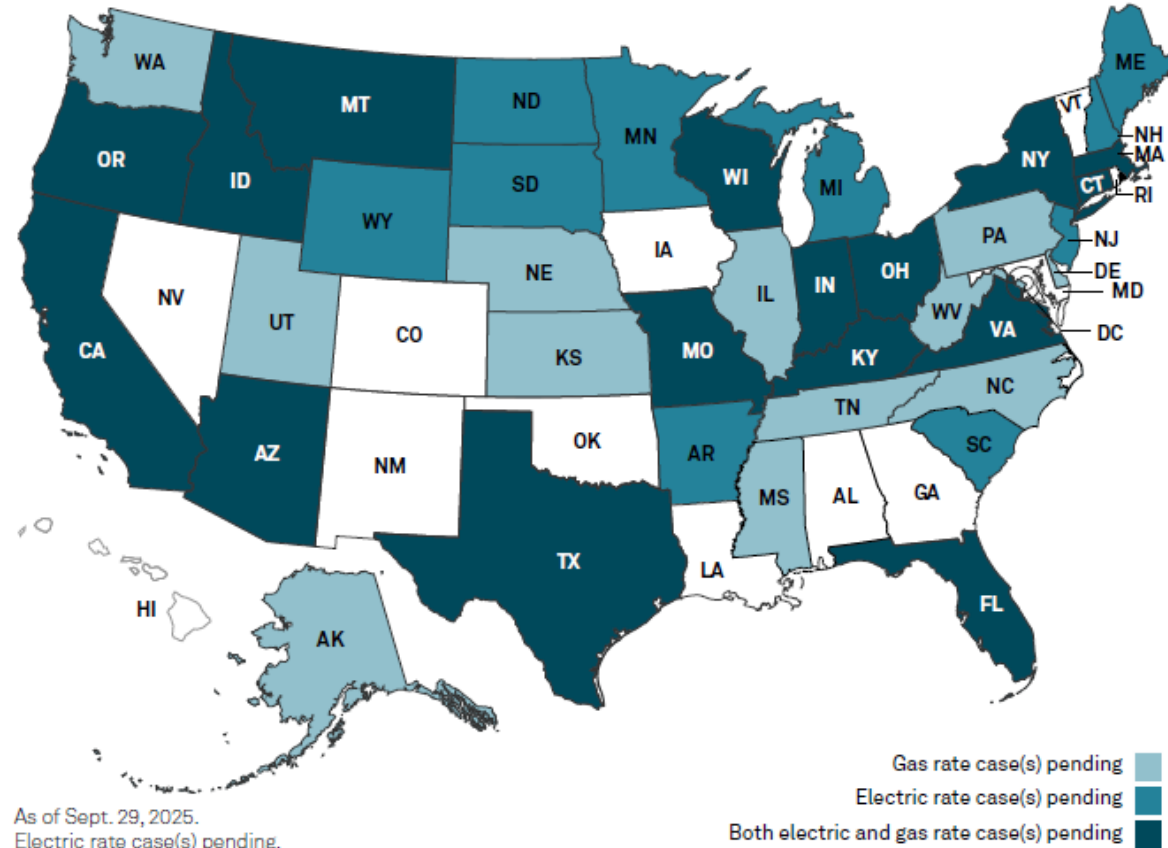
# **CUSTOMER IMPACTS AND AFFORDABILITY**





# CURRENT RATE CASE ACTIVITY

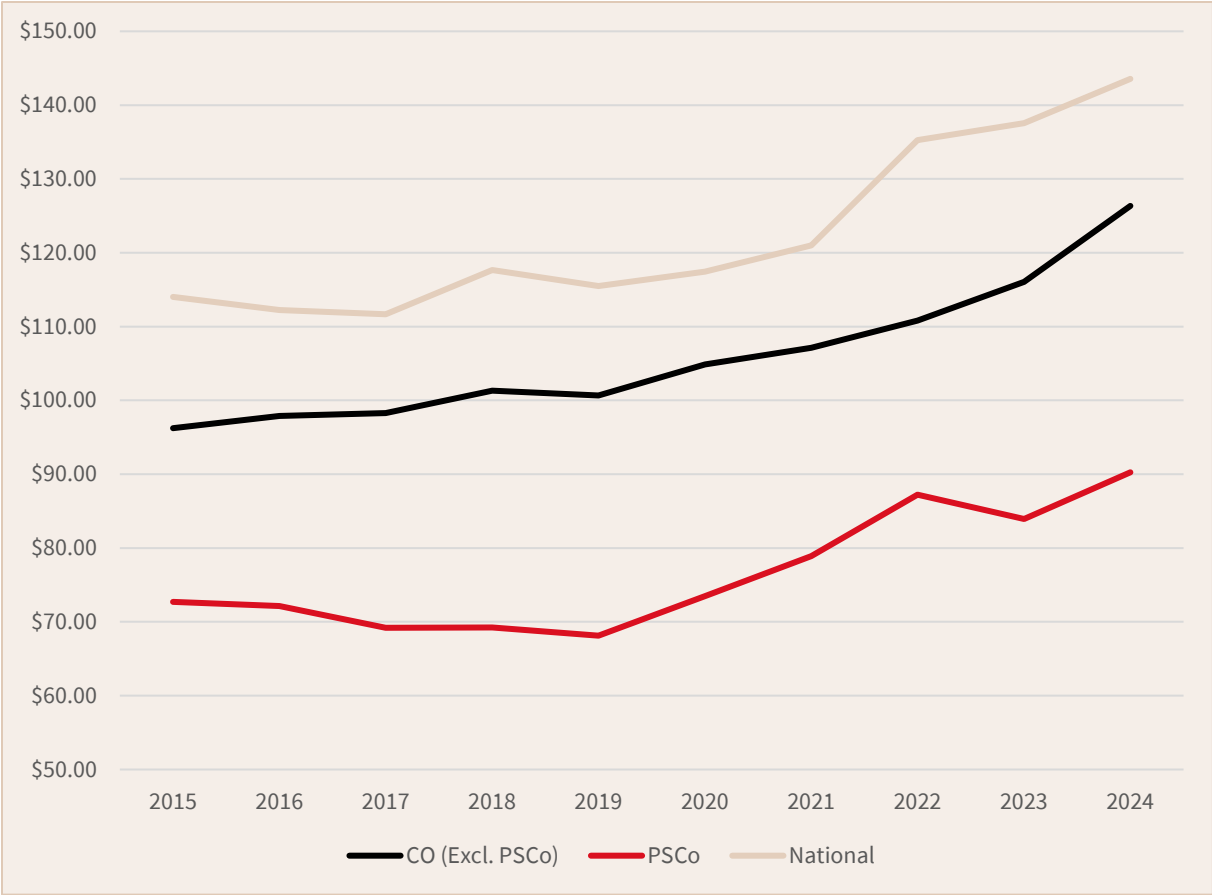
## Pending energy rate cases



- As of Sept. 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

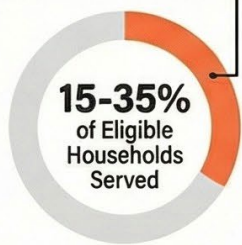
## THE CHALLENGE: WHY PROGRAM ENHANCEMENTS ARE NEEDED



**TENS OF THOUSANDS SEEKING HELP DON'T QUALIFY**

In the 2024-2025 program year, over 20,000 referred customers were ineligible for current programs.

**CURRENT PROGRAMS REACH ONLY A FRACTION**



**ECONOMIC PRESSURES & REDUCED FEDERAL FUNDING**



These create a greater need for utility support.

**\$10 Million Shareholder Funding**

## THE SOLUTION: A THREE-PART PLAN TO IMPROVE SUPPORT



## PROJECTED IMPACT

**CURRENT PROGRAM (2024-2025)**



**PROJECTED GOAL**



# 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?

