

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

Council & Stakeholder Engagement
↓
Public Education
↓
2025 Election
↓
Public Utilities Commission

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

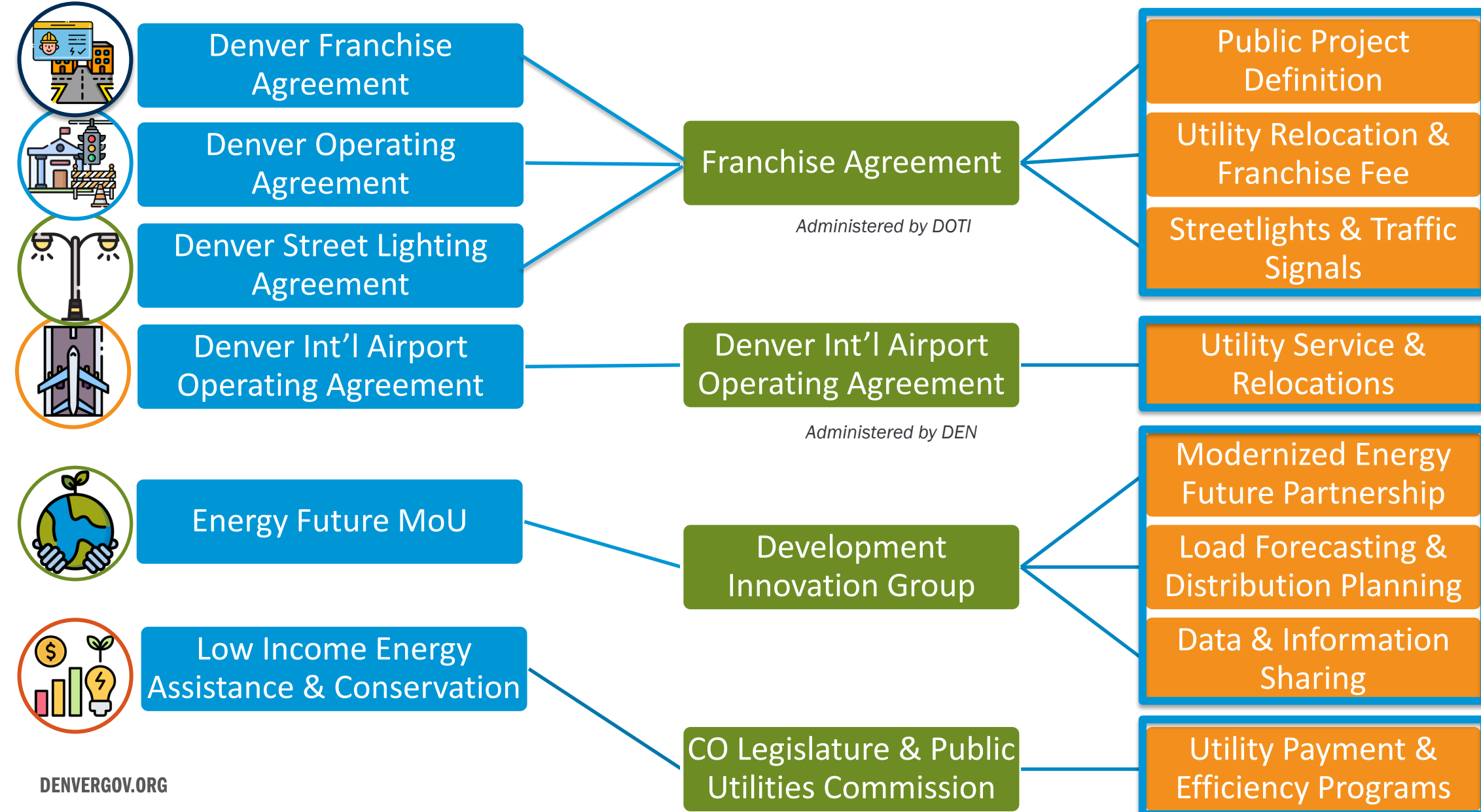
- ✓ Establish Denver Development Innovation Group (DDIG)
- ✓ Advance clean energy infrastructure

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

MUNICIPAL CLIMATE FUNDS (San Diego vs. Denver)

	San Diego Climate Equity Fund	Denver Climate Protection Fund
FY24 revenue/budget	\$11.1M	\$50.4M
2023 Population	1,388,000	716,577
Purpose	More equitable distribution of public facilities and services, helping environmental justice communities adapt	To cut greenhouse gas emissions and support climate vulnerable communities to adapt to climate change
Allowable Uses	City infrastructure projects, including associated land acquisition and activities required for pursuing external funding, support disadvantaged communities to adapt to climate change	Green workforce, renewable energy, adaptation, climate justice, buildings, sustainable transportation

ENERGIZING THE FUTURE

\$4.6 million awarded to 390 nonprofits

44% of funding supported organizations advancing DEI



\$1.8M to 132 orgs

**STEM Career
Pathways**

708K students will receive hands-on STEM learning, including **368K** female learners.



\$848K to 69 orgs

**Environmental
Sustainability**

21K trees will be planted, offsetting **14.5K** tons of carbon emissions to be offset.



\$2M to 192 orgs

**Community
Vitality**

5K individuals will gain employment, generating **\$174K** in wages.



2024 SPRING FOCUS AREA GRANTS

COLORADO
\$1.4M to 82
Av \$17K

NORTH DAKOTA
\$184K to 25
Av \$7K

MINNESOTA
\$1.9M to 153
Av \$13K

WISCONSIN
\$382K to 63
Av \$6K

MICHIGAN
\$5K to 1
Av \$5K

NEW MEXICO
\$81K to 11
Av \$7K

SOUTH DAKOTA
\$131K to 22
Av \$6K

TEXAS
\$408K to 36
Av \$11K

ENERGIZING THE FUTURE

\$1.4M granted to 82 Colorado nonprofits
41% of funding supported organizations advancing DEI



STEM Career Pathways

87K students will receive hands-on STEM training, including **47K** female learners



Environmental Sustainability

4,100 trees will be planted, offsetting **2.8K** tons of carbon emissions



Community Vitality

364 individuals will gain employment, generating an estimated **\$12M** in wages

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

Report an Outdoor Lighting Outage, Repair, or Replacement

<https://co.my.xcelenergy.com/s/partner-resources/municipalities/outdoor-lighting/outdoor-lighting-reporting>



THANK YOU

