

City & County of Denver and Xcel Energy Franchise & DEN Operating Agreements

Denver City Council – First Reading

July 28, 2025



AGENDA

- Franchise Agreement Overview
- Franchise Agreement Goals & Benefits
- Today's Council Action
 - CB25-0922 Franchise Agreement &
 - CB25-0987 DEN Operating Agreement



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.

Current 20-year term:
Jan 1, 2007 – Dec 31, 2026



HOW



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

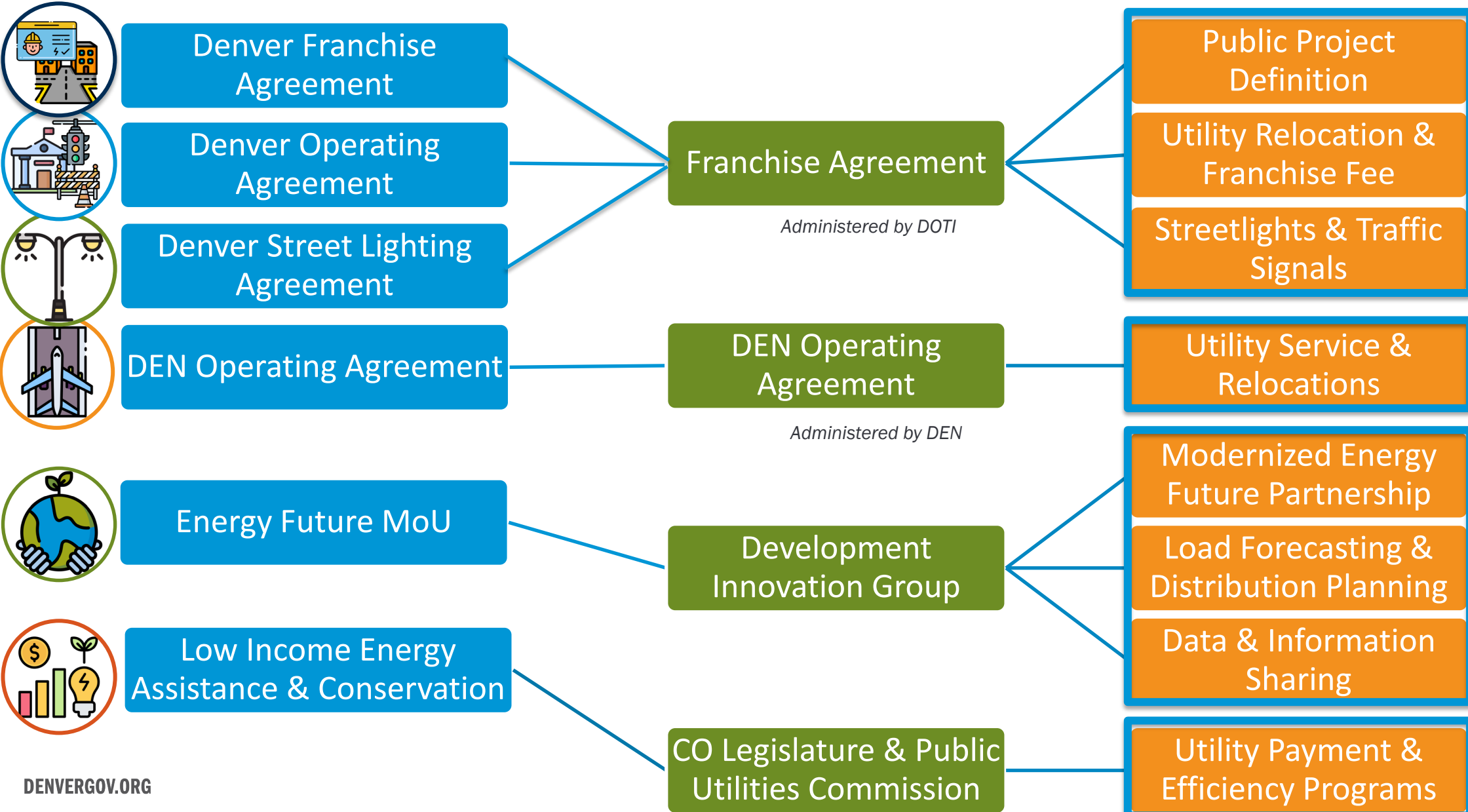
- ✓ Establish Denver Development Innovation Group (DDIG)
- ✓ Advance clean energy infrastructure

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



DDIG & Community Energy Partnership Commitment

D-DIG Advisors: Representatives from business, neighborhoods, and technical experts

- Feedback on Areas of Focus and special initiatives
- Semi-annual meetings with DOTI Advisory Board and CASR Sustainability Advisory Council
- Focus on community feedback and progress
- Public attendance encouraged

Community Energy Partnership Commitment: Denver commits to collaborating with community-based organizations and Xcel Energy to advance energy affordability, reliability, and sustainability, while ensuring transparency and leveraging diverse funding sources.

WHAT IF THE AGREEMENT ISN'T APPROVED?

- Xcel will continue to serve Denver.
- Denver will not receive franchise agreement benefits
 - e.g. utility relocations for all 'public projects' and utility undergrounding
- Negotiation / litigation for each individual infrastructure project to determine responsibility and cost for utility relocations.
- Without utility relocation provision, infrastructure projects will potentially face:
 - Schedule delays
 - Rising costs
 - Diminished scope
 - Re-design

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

Report an Outdoor Lighting Outage, Repair, or Replacement

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



THANK YOU

