

**MINUTES**  
**Colorado Springs Utilities Board Meeting**  
**Thursday, June 20, 2024**

**Utilities Board members present in Mesa Conference Room:**

Chair Dave Donelson, Vice Chair Yolanda Avila, Lynette Crow-Iverson, Nancy Henjum, Randy Helms, David Leinweber, Mike O'Malley, Brian Risley and Michelle Talarico

**Utilities Board Members Excused:**

None

**Staff members present in Mesa Conference Room:**

Travas Deal, Renee Adams, Lisa Barbato, Tristan Gearhart, Joe Awad, Alex Baird, Steve Berry, Gabe Caunt, Marcela Espinoza, Dan Hodges, John Hunter, David Longrie, Jessie Marshall, Nicole Means, Christian Nelson Abigail Ortega, Gail Pecoraro, Kathryn Rozwod, Bethany Schoemer, Scott Shirola, Leslie Smith, Heather Tocci and Jane Zook

**City of Colorado Springs staff members present via Microsoft Teams or Blue River Conference Room:**

Renee Congdon, Chris Bidlack, Victoria Classen and Elli Harris Mevis

**Citizens present via Microsoft Teams or Blue River Conference Room:**

None

**1. Welcome**

Ms. Lisa Barbato, Chief System Planning and Projects Officer, welcomed Board Members to the Mesa Conservation Center at 10:10 a.m. Ms. Barbato reviewed the agenda for the meeting.

**2. 2025 Legislative Early Forecast**

Mr. Dan Hodges, Manager of Government Affairs, reviewed changes in the State of Colorado's House of Representatives seats. Changes include:

- Term limits in the chairs of the House Energy and Environment Committee and the House Finance Committee.

Changes in the State of Colorado's Senate include:

- Term limits in the chairs of the Senate President, the Senate Transportation Energy Committee, and the Joint Budget Committee Vice Chair.

Mr. Hodges also reviewed Historic Party Control and Emerging 2025 Issues.

- Two major pieces of legislation are anticipated in 2025:
  - Colorado’s net metering statutes.
  - Reduction in greenhouse gas emissions target from 100 percent by 2050, to near 100 percent by 2040.

Board Members inquired how turnover in House and Senate seats is expected to impact emerging 2025 issues. Mr. Hodges explained that specifics remain unknown

### **3. Check- In On Plan**

Mr. Travas Deal, Chief Executive Officer, outlined the organization’s future plans to implement changes due to customer growth, reliability, and rates. The organization is looking at more options for fossil fuel. The Utilities Board will be making decisions on investing in reliable energy to meet the regulatory 80 percent carbon reduction and the required 100 percent by 2040 legislative changes. The purpose of today’s meeting is to provide information to meet these changes. The estimated cost of changes is \$1.5 million. Board Member Henjum, Board Member Donelson and Board Member Risley spoke in support of future rate changes.

Due to changes in technology and the need to move quickly to meet regulatory changes, the organization sometimes is unable to run a full lifecycle for assets. Board Member O’Malley stated there needs to be a smart transition to bring on the necessary technology to accomplish these changes and utilize their current assets.

### **4. Sustainable Energy Plan Update**

- **Current Projects**

Ms. Jessie Marshall, Energy Projects Manager, reviewed the current Sustainable Energy Plan and reviewed current projects. She provided a Project Map for 2022-2027. There are five projects in the North System, three in the Central System, and three in the South System.

The Energy Projects Schedule for 2022-2027 was reviewed.

- **New Generation**

Ms. Marshall reviewed the Program Background and Scope and the Program Contracting Strategy – 3 RFP.

- **Purchase Power Agreement (PPA)**

Contracting strategies include Purchase Power Agreement (PPA), Progressive Design Build, Energy Storage Agreement (a battery very of PPA) and EPC. Board Member Henjum asked how the organization addresses the unknown of quality. There are many things that factor into decisions including price and the ability of the contractor to complete the work. Risks can include regulatory, supply chain, and financial. Board Member O’Malley asked if there was the ability to “float” for two years.

- **Natural Gas Generation**

The natural gas generation timeline was highlighted. This timeline goes through 2028. The location has not been determined, and the organization is currently in the engineering, design, and equipment ordering phase.

Projects will be divided into sub teams to execute each of the individual scopes: Utilities Internal Team, Contractor, and Owner's Advisor. Board Member Risley asked which company was hired. Staff indicated Burns McDonald was hired.

## **5. IRP Alignment and Financial Impacts**

Ms. Kathryn Rozwod, Energy Resource Planning Supervisor, reviewed additional considerations considered in Integrated Resource Planning (IRP) alignment, and scenario and risk mitigation. Board Member Risley asked if contract provisions include fixed pricing for 20 to 30 years out.

- **Financial Impacts**

Mr. John Hunter, Financial Planning and Risk Manager, reviewed proposed rate increases through 2029 to cover the cost of Electric Gas Generation and SEP (base rates), Electric Renewable PPA & Battery (ECA), Natural Gas IRP (base rates), and Natural Gas Capacity (GCC). Anything beyond 2030 will be determined by new regulations and inflation.

The rates will be comparable for business and residential customers.

## **6. Energy Vision**

Mr. David Longrie, Energy Resource Planning and Innovation Manager, reviewed the energy vision that was approved in 2020. Planning drivers and trends were explained. The biggest challenge is decarbonization.

Seven focus areas include:

1. Regional transmission organization readiness
2. Renewable energy integration
3. Resource connectivity
4. Vehicle to grid integration
5. Optimized transmission capacity
6. Microgrid potential study
7. Clean heat plan and beneficial building electrification

## **7. Confirm Plan Direction**

Mr. Deal asked if there were concerns for the Energy Vision. The organization will be keeping the Board updated as vendors are selected through the RFP process. Board member O'Malley asked how rate payers will be communicated with regarding the drivers behind this. The current State of the Utility and efforts by the Public Affairs

Department have occurred and are being planned. Mr. Deal pointed out that everything being anticipated is out of necessity.

Board Chair Donelson said that the Board is being asked to communicate the plan that was voted in last summer is still being followed.

## **8. Lunch / Potential Future Generation**

Ms. Rozwod outlined potential future resources:

- Geothermal / thermal heating services
- Thermal storage
- Hydrogen – this is a very new technology, mostly produced near bodies of water.
- Renewable Natural Gas (RNG) – We would partner with other utilities to bring this to the community. There are limits to this option.
- Pumped storage – A feasibility study was recently conducted which showed several challenges and financial implications. The reservoirs being considered in the study were Nichols, Northfield, and Tesla. This would be approximately 400 mw.
- Nuclear small modular reactor (SMR) –this option is not available yet. Colorado has not approved Nuclear as a clean energy resource. The timeframe for permitting in the state of Colorado is 3 to 4 years. The next UPAC Assignment is to evaluate Nuclear energy.

## **9. Energy Vision Activity Overview**

- **Renewable Energy Integration and Energy Wise**

Mr. Gabe Caunt, Engineer Supervisor DSM and Distributed Energy Strategies, presented graphs on the effect that solar can have on energy demand.

There are 250 batteries on the Springs Utilities System, four percent of homes in the Springs Utilities system are on solar. Board Member O'Malley suggested an incentive for customers.

Mr. Caunt also discussed electric vehicles and the impact of unmanaged EV charging.

Mr. Scott Shirola, Pricing and Rates Manager, shared the Energy – Wise Transition. The on-peak period is 4 to 8 p.m. There are currently 9,000 customers on net metering. Three different rate options are being looked at for the Energy -Wise Program – Energy-wise (Standard Time of Day), Energy-wise Plus (Optional Time of Day); and Fixed Seasonal (optional anytime rate)

The proposed effective date of Time-of-Day rates is to be determined in 2025. The Energy-Wise rate is to be revenue neutral on current rates. Summer on-peak rates are higher than winter on-peak rates.

- **Regional Transmission Organization**

Mr. Daniel Strickland, Energy Trading Analyst Supervisor, discussed the Regional Transmission Organization (RTO). An RTO is an agreement that Springs Utilities has joined that performs certain services, provides benefits, but also faces challenges. An RTO is a deregulated power market that makes a larger pool to draw energy from.

Colorado Springs Utilities is not generally an energy exporter, but rather an energy importer. Board Member O'Malley asked how this will affect the organization's reliability. Mr. Alex Baird, Fuels and Purchase Power Manager, said there are multiple aspects to ensure we have enough generation to support our transmission and distribution. Mr. Deal said this will help ensure we will always have enough energy to cover our load, plus an 18 percent reserve.

- **Microgrid Pilot**

Ms. Rozwod spoke about this exciting program -- the Mesa Campus Microgrid. This will include 1 mw of battery storage, up to five acres for solar array (1.6 mw), and a microgrid controller and recloser. This topic will be covered at a future Lunch and Learn.

## **10. Adjournment**

Board Chair Donelson thanked the employees that made today's presentation possible. He also thanked the Board for their attendance at today's meeting.

The meeting adjourned at 1:56 p.m.