Colorado Springs Utilities
It's how we're all connected

Date: March 19, 2025

To: Utilities Board

From: Travas Deal, Chief Executive Officer

Subject: **Excellence in Governance Compliance Report**
Environmental Stewardship (I-12)

Desired Action: Monitoring

Compliance: The CEO reports compliance with the instructions except where noted with an asterisk (*).

INSTRUCTIONS			
Category:	**Utilities Board Instructions to the Chief Executive Officer**	Reporting Timeframe:	**January 1, 2024 – December 31, 2024**
Policy Title (Number):	**Environmental Stewardship (I-12)**	Reviewing Committee:	**Working Planning**
Monitoring Type:	**Internal**	Monitoring Frequency:	**Annual**

The Chief Executive Officer shall direct that Colorado Springs Utilities is a leader in environmental stewardship. Accordingly, the CEO shall:

1. *Provide customers with educational materials and solutions to promote energy and water conservation and renewable energy technologies.*

   In 2024, a total of 563 water and energy education classes, tours, community events, and webinars took place for youth and adults in the community. We shared educational materials to promote energy and water conservation with 24,848 customers through in-person classes, events, tours, or live webinars; and 6,428 customers streamed recorded classes throughout the year.

   A total of 9 water and energy rebate programs were offered for residential customers (including net metered solar) and 11 rebate programs for business customers. In partnership with the Energy Resource Center to reduce annual water and energy

consumption, Colorado Springs Utilities helped retrofit 124 homes through the Home Efficiency Assistance Program (HEAP). In addition to the work under the HEAP program, Colorado Springs Utilities programs distributed or installed 718 efficient toilets, 728 showerheads, 64 shower wands, 42 shower starts, 1,793 faucet aerators, 8,874 LED bulbs, 30 strings of holiday lights and 42 HELP kits containing water and energy efficiency measures for customers and other non-profit enterprises.

Irrigation rebate and retrofit programs distributed 12,343 high-efficiency sprinkler nozzles, 7,406 pressure-regulating sprinkler heads, 278 smart irrigation controllers, 20 flow sensors, and 34 rain sensors. Landscape transformation programs converted nearly 150,000 square feet of high water use turfgrass to low water use native grass.

Colorado Springs Utilities also provided indoor water use evaluations for 62 businesses, commercial irrigation evaluations covering nearly 5.8 million square feet of irrigated land, and high water use notifications to nearly 900 business customers.

Customer rebates, direct-install, wholesale promotional, low-income efficiency water use evaluations, and renewable energy programs resulted in an estimated total commodity savings of 59.6 million gallons of water, 49,674 million cubic feet of natural gas, 12,539 megawatt hours (MWh) of electricity consumption, and 2.3 incremental megawatts (MW) of electricity demand. An additional 2.5 to 14 MW of actively-controlled summer demand reduction was due to customers' enrollment of their smart thermostat in the Peak Energy Rewards demand response program. Water-wise Rules contributed nearly 4.6 million gallons of new annual water savings. Proactive potable water distribution system water loss control programs contributed an additional 13.1 million gallons of water savings.

In 2024, Colorado Springs Utilities expanded focus on natural gas decarbonization programs, in response to significant legislative mandates, electric resource mix changes, and significant changes in baseline equipment efficiencies. An extensive outreach campaign highlighted Clean Heat Plan-related programs across earned, paid, owned, and shared media including print, e-mail, web, radio, and streaming platforms.

In 2024, Colorado Springs Utilities continued to offer incentives for ENERGY STAR and cold-climate heat pumps and heat pump water heaters, both as direct-to customer rebates and through the Builder Incentive Program for installation in new homes. These provide efficient options for customers looking to decarbonize by electrifying their space and water heating needs. Additional rebate options were provided for ENERGY STAR gas boilers, combination boilers, and natural gas instantaneous water heaters. The Builder Incentive Program provided incentives directly to 38 participating home builders for construction of 840 new homes that are better than the minimum code standards. Colorado Springs Utilities also provides rebates for certain features such as ENERGY STAR smart thermostats, ENERGY STAR New Homes certification, and all-electric homes.

The Commercial Building Efficiency Program provided energy audits to more than 2.5 million square feet of large commercial buildings to help building owners discover and prioritize energy efficiency, decarbonization, and money-saving measures.

The Strategic Customer Relations group actively educates our strategic and mid-market commercial customers through various channels. These include:

a. Email: Regular communication via email ensures that our customers stay informed about energy and water conservation programs, updates, and relevant initiatives.
b. Face-to-Face Meetings: Our team conducts face-to-face meetings with customers to provide personalized education on energy and water conservation strategies. These interactions allow us to address specific concerns and tailor solutions to their unique needs.
c. Multiple Large Customer Meetings: We organize large-scale customer meetings where we have content specifically on energy and water conservation programs. These gatherings serve as platforms for in-depth discussions, sharing best practices and fostering collaboration.

2. *Promote efficient energy and water consumption in new buildings and landscapes.*

Colorado Springs Utilities encourages efficient new construction, landscaping, and retrofits and promotes energy and water efficient buildings and landscapes through its ongoing educational efforts, and through the ReToolCOS zoning code update.

The Mesa Conservation and Environmental Center (Center) entered its 21st year of operation and continues to showcase demonstration programs to promote energy efficiency and water conservation. The Water Wise Demonstration Garden is considered one of the finest in the country. The Center received 2,900 visitors in the building in 2024 and thousands more visited the garden without entering the building.

The ReToolCOS zoning code update limits turfgrass installation in new homes and businesses to no more than 25% of the irrigable landscape. This code change influenced nearly 145 acres of irrigated commercial landscapes and more than 2,300 homes, resulting in annual water savings of more than 1 million gallons.

3. *Ensure emissions from operations meet or surpass air quality regulations.*

Colorado Springs Utilities meets air quality expectations through a combination of effective operations and maintenance, pollution controls, fuel selection and use of renewable energy. Colorado Springs Utilities has a diverse portfolio of electric generating resources, including fossil fuel fired units, such as coal or natural gas, and renewables, such as hydroelectric, wind, or solar power. Between 2005 and 2024, annual emissions from Colorado Springs Utilities electric generating resources have been reduced by more than 95% for sulfur dioxide (SO_2), by more than 80% for nitrogen oxides (NO_x), and by more than

50%, for carbon dioxide (CO_2) largely through the retirement of the coal-fired generation from the Martin Drake Power Plant. The current fleet of alternative-fuel vehicles includes nine electric hybrid vehicles, 16 electric vehicles (EVs), 340 ethanol flex-fuel vehicles, and 43 compressed natural gas (CNG) vehicles.

* There were four (4) exceedances of Nixon CT3 NOx 1-hour limit and 44 six-minute opacity CAM Plan Excursions for Nixon, and two events of uncombusted biogas release at the Clear Spring Ranch Solids Handling and Disposal facility (one for 33 minutes, and one for 12 minutes).

4. *Ensure local ground and surface water discharges from operations meet or surpass surface water and groundwater quality standards.*

Discharges from Colorado Springs Utilities operations are of a quality that is consistent with permit requirements through the operation of advanced wastewater treatment technology and an industrial pretreatment program to control pollutants into the wastewater treatment system. Colorado Springs Utilities' power plants are designed for zero discharge or to discharge water to the wastewater treatment facility for treatment. The Las Vegas Street Water Resource Recovery Facility (LVSWRRF) has installed infrastructure and revised operational practices to meet permit limits for nutrients that became effective in 2020.

The JD Phillips (JDP) Water Resource Recovery Facility has been operating a demonstration project since 2019 to reduce nutrients for which a formal Site Location Amendment request has been made to the Colorado Department of Public Health and Environment (CDPHE) for the permanent process modification. The CDPHE Water Quality Control Division Engineering Review Unit notified Utilities in late December 2024 that it has begun review of the Service Level Agreement. This review will continue into 2025.

Colorado Springs Utilities continues its participation in the CDPHE's Policy 17-1 Voluntary Incentive Program, which encourages reductions in total phosphorous and total inorganic nitrogen and should provide for additional compliance time for future nutrient criteria. In 2024 the JDPWRRF experienced treatment issues that led to permit exceedances (as noted below) between June and July. As a result, the plant's flow was redirected to the LVSWRRF from July 31, 2024 to September 15, 2024 while the plant was recalibrated. Ongoing work in 2025 includes continuing the Studies and Alternatives Analysis (SAA) begun in 2024. There will be capital improvements that come out of the SAA to ensure that the JDPWRRF reliably meets current and future permit limits. The projected overall schedule has design/permitting from late 2025-mid 2027 with construction running from late 2027-mid 2029, depending on the alternatives that Utilities selects.

Rehabilitation of the diversion structure was completed in 2024. The diversion structure is upstream of the JDPWRRF and will allow for the "peaks" in diurnal flow and load to be diverted to the LVSWRRF. The diversion structure is expected to assist operations by limiting peak diurnal flows and loadings.

At Clear Spring Ranch, groundwater quality monitoring is regularly performed in association with the on-site placement of biosolids, coal combustion residuals, and water treatment residuals. The results are annually reported to the CDPHE.

*During 2024, JDPWRRF exceeded the phosphorous 95th percentile effluent permit limit, the total inorganic nitrogen 95th percentile limit and the ammonia 30-day average effluent permit limit resulting in a CDPHE Compliance Advisory for the ammonia 30-day average limit exceedance.

5. *Maintain or enhance the visual appeal of utility operations where cost effective.*

   The provision of utility services necessitates the operation of extensive and highly visible infrastructure such as power plants, water and wastewater treatment facilities, pump stations, power lines, electric substations, and work centers. The location and design of these facilities can dramatically impact the vistas of an area. The overall impact can often be diminished or blended with the surroundings to make them less obtrusive. Colorado Springs Utilities strives to receive input from the community on any facility built or externally remodeled, including the addition of recreational amenities on properties with Colorado Springs Utilities operations, such as watersheds.

6. *Ensure the community receives a portion of its electric needs from renewable sources.*

   Colorado Springs Utilities meets the Colorado Renewable Energy Standard, which obligates municipal utilities to obtain 10% of retail electricity from eligible energy resources. In 2024, 28.5% of Colorado Springs Utilities' overall generation mix (all energy produced or received to serve Colorado Springs Utilities' load and sales obligations) was generated from carbon-free resources. Colorado Springs Utilities' portfolio currently includes 290 MWs of solar energy generation that supplied 16.4% of energy, 110 MWs of hydro-electric generation that supplied 8.2% of energy, and 60 MWs of wind generation that supplied 3.9% of energy. These percentage totals are descriptive of Colorado Springs Utilities' generation portfolio, not of compliance with the Colorado Renewable Energy Standard or a claim to the environmental attributes generated from the resources. Colorado Springs Utilities purchases and sells Renewable Energy Certificates (RECs) from eligible energy resources to comply with the Colorado Renewable Energy Standard and generate revenue, which helps reduce electric costs for our customers.

   Colorado Springs Utilities will bring 100MW of battery storage online at Fuller Substation in 2025. Horizon Power Plant, scheduled to meet commercial operation in mid-2028, accounts for 400 MW of natural gas generation.

7. *Strive to preserve and protect wildlife, wildlife habitat, and wetlands during construction and operation of facilities and infrastructure.*

   Pre-construction environmental review processes identify potential wildlife and wetland issues, allowing for avoidance, minimization, and mitigation throughout the lifecycle of

construction projects. Operations actively protects avian wildlife through its Avian Protection Program, which includes but is not limited to annual avian safety trainings for electric operations crews, conducting pre-construction nest surveys, conducting removals of inactive nests from active facilities as necessary, and retrofitting electric systems to protect avian wildlife from potential interactions with those systems. It is a practice to retrieve injured or fledgling raptors that have fallen out of the nest within Colorado Springs Utilities infrastructure and transport them to the Pueblo Raptor Center for rehabilitation and release back to the wild when possible. Noxious weeds are identified and controlled on local and remote properties to promote healthier native ecosystems that support wildlife. Vegetation restoration processes are implemented on construction projects to establish native and desirable vegetation species and minimize noxious weed establishment in disturbed areas. Colorado Springs Utilities partners as needed with Colorado Parks and Wildlife to relocate orphaned bear cubs onto remote watershed properties and collaborates with the local community to conduct annual bird surveys and bird banding on our properties to gather data on bird populations, habitat status, and migration patterns.

8. *Strive to preserve and protect cultural and historic sites during construction and operation of facilities and infrastructure.*

   Colorado Springs Utilities conducts cultural and historical research and surveys as part of property acquisitions and construction projects to ensure important resources are identified and preserved. Any significant cultural resources encountered during a project, including buildings or structures older than 50 years, and artifacts are evaluated by professional archaeologists to ensure the preservation of these cultural resources as required. Forest management activities on watershed properties are conducted in a manner that ensures protection of on-site cultural resources.

   In 2024, Colorado Springs Utilities conducted cultural resource surveys associated with north slope watershed wildland fire mitigation work to ensure protection of identified Native American cultural resources and historic resources from the time of construction of North Catamount Reservoir.

9. *Engage the community in Utilities Board decisions on Colorado Springs Utilities' operations that affect the environment.*

   Community education and outreach programs convey the value of our services and promote utility efficiency and safety. In 2024, staff presented numerous water, energy, and safety programs to student and adult audiences. Messaging revolved around safe and efficient use of utility services. Methodology included community event booths, facility and stakeholder tours, adult presentations, teacher workshops, student programs, landscape classes and webinars, public meetings and town halls. The inaugural State of the Utility was also held in June of 2024. In total, 31,276 customer connections were made, and 563 events were attended.

A total of 97 Raptor Protection Program presentations were made to teach the community about powerline safety for birds, and our environmental stewardship efforts around utility services.

10. *Strive to minimize or reuse waste generated by Colorado Springs Utilities to reduce impact on the environment.*

    In 2024, Colorado Springs Utilities' e-waste recycling program sent 33 tons of electronic waste components and 8,310 mercury-containing lamps to be recycled.

    In addition, 13,148 gallons of used oil, 616 gallons of antifreeze, and over 575 tons of steel, aluminum, copper, brass, iron, and tin was recycled.

    In 2024, 10,200 tons of fly ash was beneficially re-used for liquid waste solidification, and 2,500 tons of bottom ash was sold for cement.

    Nearly 62,000 tons of construction debris (including over 4,818 tons of asphalt and 7,317 tons of concrete removed from job excavation activities) was accepted for recycling at the Sand Creek Recycling Center. After separation, the soil is re-used locally as construction fill and the asphalt and concrete are crushed and re-used locally.