



Utilities Policy Advisory Committee (UPAC)

Wednesday, January 8, 2025

8:00 a.m. – 10:00 a.m.

Blue River Board Room

121 S. Tejon Plaza of the Rockies or Microsoft Teams

[Join the meeting now](#)

8:00 a.m.	1. Call to Order	
8:05 a.m.	2. Approval of December 4, 2024 UPAC Meeting Minutes	Decision
8:10 a.m.	3. Ethics and CORA Open Meeting Presentation	Discussion
9:00 a.m.	4. UPAC Assignment Recommendation Discussion	Discussion
9:50 a.m.	5. Customer Comment Citizens can provide comment in person, by joining the meeting from computer or by phone using the link above. If you would like to speak during the citizen comment period, please sign up to speak through <u>BoardSubmissions@csu.org</u> prior to the meeting.	Discussion
9:55 a.m.	6. Committee Member General Discussion	
10:00 a.m.	7. Adjournment	

Next meeting: February 5, 2025

Note: UPAC Bylaws, Rule 6: Customer and Public Comment: (b) At the discretion of the Chair, or the majority of the Committee Members present, customers and members of the public will be allowed to comment or ask questions concerning items discussed at regular meetings or concerning matters discussed at special meetings. Comments or questions by individuals will be limited to five minutes each, and all customer or public comments will not exceed twenty minutes on any agenda item unless time is extended by the Chair or majority of the Committee Members present.



Minutes
Utilities Policy Advisory Committee (UPAC)
Wednesday, Dec. 4, 2024
Blue River Boardroom, 5th floor, 121 S. Tejon St., Colorado Springs, CO
and Microsoft Teams Virtual Meeting

Committee members present in the Boardroom or via Microsoft Teams:

Chair Larry Barrett, Scott Smith, Gary Burghart, Michael Borden, David Watson, Katherine Danner, Chris Meyer, Tom Carter and Albert Badeau

Committee members excused: None

Staff members present in the Boardroom or via Microsoft Teams: Natalie Watts, Amy Lewis, Tristan Gearhart, Al Wells, Christian Nelson, Heather Tocci, Gabe Caunt, Kathryn Rozwod, Matt Dudden, Tyrone Johnson, Steve Carr, Chase Arnett, Renee Adams, Lisa Barbato, Dan Norton, Jared Miller, David Longrie, Jerry Edwards, Abigail Ortega, Nick Forehand, Joe Awad, Jay Anderson, Troy Bass, Ryan Sweet and Jacqueline Nunez

Utilities Board members present in the Boardroom or via Microsoft Teams: None

City of Colorado Springs staff present in the Boardroom or via Microsoft Teams: David Beckett and Jill Burris

Residents present in the Boardroom or via Microsoft Teams:

Timothy Kirkwood

1. Call to Order

Chair Larry Barrett called the meeting to order at 8:00 a.m. and called the roll.

2. Approval of Nov. 6, 2024, UPAC Meeting Minutes

Committee Member Scott Smith made a motion to approve the Nov. 6, 2024, meeting minutes and Committee Member Katherine Danner seconded the motion. The motion passed unanimously.

3. TerraPower

Mr. Christian Blessing, Director of Strategic Development for TerraPower, presented on their sodium reactor technology. It features a 345 MW standard nuclear output with energy storage allowing 100-500 MW flexible power delivery up to five hours. Their reactor has a 500°C heat output and an energy storage system that uses molten salt.

Their plant in Kemmerer, Wyoming features three main components: A nuclear reactor island, an energy storage island using commercial-grade salt storage

technology, and a turbine island for power generation. Mr. Blessing highlighted the reactor operates at atmospheric pressure with passive safety features. The system allows the nuclear plant to run at 100% capacity while energy storage handles grid demand fluctuations. The plant requires a 400-meter environmental protection zone, significantly smaller than traditional nuclear plants. The reactor operates at atmospheric pressure with passive safety features.

Mr. Blessing invited the members of the UPAC to Wyoming to see the technology being used.

4. Bechtel

Mr. Brian Coombe, Marketing and Business Development Manager for Bechtel, presented an outline of a three-year construction timeline for nuclear facilities. The current site they are working on is in Kemmerer, Wyoming. As the integrated engineering, procurement, and construction contractor, Bechtel plans to use direct-hire construction for complex work with some specialty subcontracting to implement digital delivery stems. Bechtel has already mobilized initial contractors for work in Wyoming.

5. Nuclear Generation Project Military Perspective

Mr. Steve Carr, Principal Key Account Manager for Colorado Springs Utilities, discussed the military installations served by Springs Utilities, the military energy focus, the military perspective on nuclear, and the military approach.

Mr. Carr noted that the military requires 24/7 power availability for mission assurance. The Army is targeting a 14-day energy independence capability. Installations need the ability to operate independently from the main grid. The military is focused on both on-base and off-base power resilience. 60-70% of military personnel live off-base, which requires broader community resilience. The Army is targeting nuclear deployment at some installations by the early 2030s.

The military prefers a partnership model rather than directly owning/operating nuclear facilities. There would be potential for shared land-use agreements through enhanced use leases. Multiple bases are exploring nuclear options through requests for information (RFIs).

6. Customer Comment

Mr. Timothy Kirkwood, customer, relayed that he spoke with Mr. Travas Deal in early November. Through that conversation, it was recommended to speak with UPAC regarding fusion versus fission nuclear energy. Mr. Barrett thanked Mr. Kirkwood for this comment and explained that this assignment is currently focused on SMR technologies. UPAC would look into the comment made by Mr. Kirkwood.

7. Selection of UPAC Officers

Mr. David Beckett from the City Attorney's Office reviewed the voting procedures for UPAC officer selection; the votes required a majority of active regular members, each member gets one vote, members can vote for themselves, or others, and officers can only serve in their roles for two years. Mr. Barrett expressed his gratitude for serving as chair and will continue as a member. Mr. Barrett nominated Ms. Katherine Danner as Chair and Mr. Michael Borden as vice chair. Ms. Danner and Mr. Borden accepted their nominations. The motions passed unanimously.

8. Committee Member General Discussion

Mr. Barrett explained his transition process and said he will work with Ms. Danner on policy recommendations and distribution plans of his presentation for the January 2025 UPAC meeting.

9. Adjournment

Committee Chair Larry Barrett adjourned the meeting at 10:26 a.m.

Next meeting: Jan. 8, 2025, at 8:00 a.m. in the Blue River Board Room

Ethics, Open Records, Open Meetings 2025 Update



Presented to
Colorado Springs Utilities Policy Advisory Committee

January 8, 2025

David Beckett – City Attorney's Office

Ethics

Ethics - Why Should You Care?



In your role as a UPAC member, you are a “covered person” subject to the City’s Code of Ethics

Ethics education is required to be given annually

Ethics - Themes of the Ethics Guidelines



- Goals:
 - Ensure independent objective judgment & ethical behavior
 - Ensure public confidence
 - Transparency
- Act with complete honesty, utmost integrity, and fair dealing
- Strive to avoid any conduct creating the appearance of impropriety
- No tolerance for violations

Ethics - UPAC Bylaws Rules of Conduct



- UPAC members may seek employment with Colorado Springs Utilities; if a job application is pending, member receives “excused absences”
- UPAC members may offer products and services to Colorado Springs Utilities after a “no conflict” determination from Colorado Springs Utilities’ CEO (who must consult with the Chair of the Utilities Board)
- UPAC members may not use their position to influence Colorado Springs Utilities’ procurement decisions
- UPAC members may ask for an advisory opinion regarding a potential future action

Ethics – City Code of Ethics



- Conduct your activities with UPAC's best interests in mind
 - Can vs. Should activities
- Safeguard Colorado Springs Utilities' confidential and proprietary information
- Avoid conflicts of interest and appearances of impropriety
 - Engaging in activities that might interfere with one's objectivity; offering preferential treatment; misuse of financial or customer information
- Disclose promptly any circumstances that might constitute a conflict of interest or an appearance of a conflict
- Unofficial messages should have clear disclaimers that the views expressed do not necessarily represent UPAC's views

Ethics – Code: Conflicts of Interest



- Conflicts of interest are prohibited; recusal is mandatory
- Covered persons may not:
 - Use (either for self or immediate family) or disclose confidential information
 - Knowingly make unauthorized commitments or promises purporting to bind the City or Utilities
 - Request or grant special consideration, treatment, or advantage beyond that available to every other private organization or individual
 - Endorse private organizations or individuals
 - Directly or indirectly participate in any matter in which they or an immediate family member has a substantial interest
 - Misappropriate services or other resources of the City or Utilities for personal benefit

Ethics – Code: Appearance of Impropriety



- Not a prohibited conflict of interest; recusal is voluntary
- Created when a covered person takes a direct official action that may create a reasonable perception that his/her ability to carry out official duties with integrity, impartiality, and competence is impaired

Ethics – Code: Disclosure and Recusal



- Disclose in writing or orally at the public meeting
- Recuse from the matter by:
 - Refraining from voting on or taking any official action concerning the matter
 - Refraining from communicating with any covered person with authority to take official action (commenting on the matter through public or private statements, emails, blogs, tweets, or other social media)
 - Physically leaving any room or premises at which the matter is being discussed or considered

Ethics – Gifts



- Applies to “covered persons” and “immediate family members”
- Whether something is a “gift” is fact-based
- Whether the gift is “related to the covered person’s duties and responsibilities on behalf of the City [or Utilities]” is an important fact
- Cannot exceed \$75 in value in a year from one donor
- Do not solicit, accept, or give gifts (event tickets, tours, etc.,) that could be perceived to influence objectivity or when a substantial interest may exist

Ethics – Gifts



- What is a Gift under City Code?

A payment, subscription, advance, forbearance, acceptance, rendering or deposit of money, services, or anything of value given, to include food, lodging, transportation, golf or other recreation or entertainment, and reimbursement for other than necessary expenses for official business on behalf of the City, unless consideration of equal or greater value is received.

Ethics – Gifts



- So long as not reasonably considered a bribe or means of improper influence on direct official action, the following examples of gifts are permitted:
 - Unsolicited awards (plaques & professional awards)
 - Awards or prizes at competitions or drawings open to the public
 - Gifts that become the property of the City or Utilities

Ethics – Gifts

Inappropriate hospitality or gifts per City Code

Involve offering or receiving accommodations, tours, event tickets, recreation, entertainment, meals or other similar personal benefits when a ***substantial interest exists*** that could influence or be perceived to influence objectivity when interacting with, representing, or conducting business for or on behalf of the City or Utilities

Substantial interest: a situation in which a reasonable person faced with making a decision, after considering the relevant circumstances, would tend to have their decision influenced by a personal or financial stake or consideration

Ethics – Gifts



- “Gifts” of fees, meals, lodging and transportation are generally OK when Colorado Springs Utilities pays for an approved conference, seminar, event or meeting
- Keep all documentation
- Report all gifts by contacting Colorado Springs Utilities’ UPAC liaison, Bethany Schoemer

Ethics - Gifts are Tricky; If in Doubt, ask Yourself:

- Is the action legal?
- Does it comply with UPAC's and Colorado Springs Utilities' values?
- If you do it/accept it, how will you feel?
"You" includes Immediate Family Members and Covered Persons
- How will it appear to the public and the media?



Ethics – Guidelines Citations



UPAC members are subject to

- UPAC's Bylaws
- The City of Colorado Springs Ethics Code (City Code §§ 1.3.101, *et seq.*)

Questions about Ethics

Contact the City Attorney's Office 719-385-5909

CORA –Colorado Open Records Act

The Incorrect Approach . . .



Public Records



It is declared to be the public policy of this state **that all public records shall be open for inspection by any person** at reasonable times, except as provided in this part 2 or as otherwise specifically provided by law.
C.R.S. § 24-72-201

COLORADO STATUTE:

Colorado Open Records Act (CORA):
Colorado Revised Statutes
(C.R.S.) sections **24-72-202 et seq.**

Colorado Criminal Justice Records Act (CCJRA):
Colorado Revised Statutes
(C.R.S.) sections **24-72-301 et seq.**

Colorado Open Records Act



- Strong presumption that the records you make, maintain or keep are public (even those retained on personal devices) and can be “inspected”
- Both paper and electronic “writings” are “public records”
- “Writings” include emails (sent, received, opened, unopened), texts, Teams messages, notes you take in meetings, digitally stored data, photos, voicemails/recordings, receipts, calendars, vendor proposals and other solicitation process documents, etc.
- Emails related to this Project are subject to CORA
- No specific CORA requirement that you retain documents
 - Colorado Springs Utilities will destroy records in accordance with its document deletion practices (such as 3 years for emails)

CORA's Exceptions: Records that are NOT Public



For example:

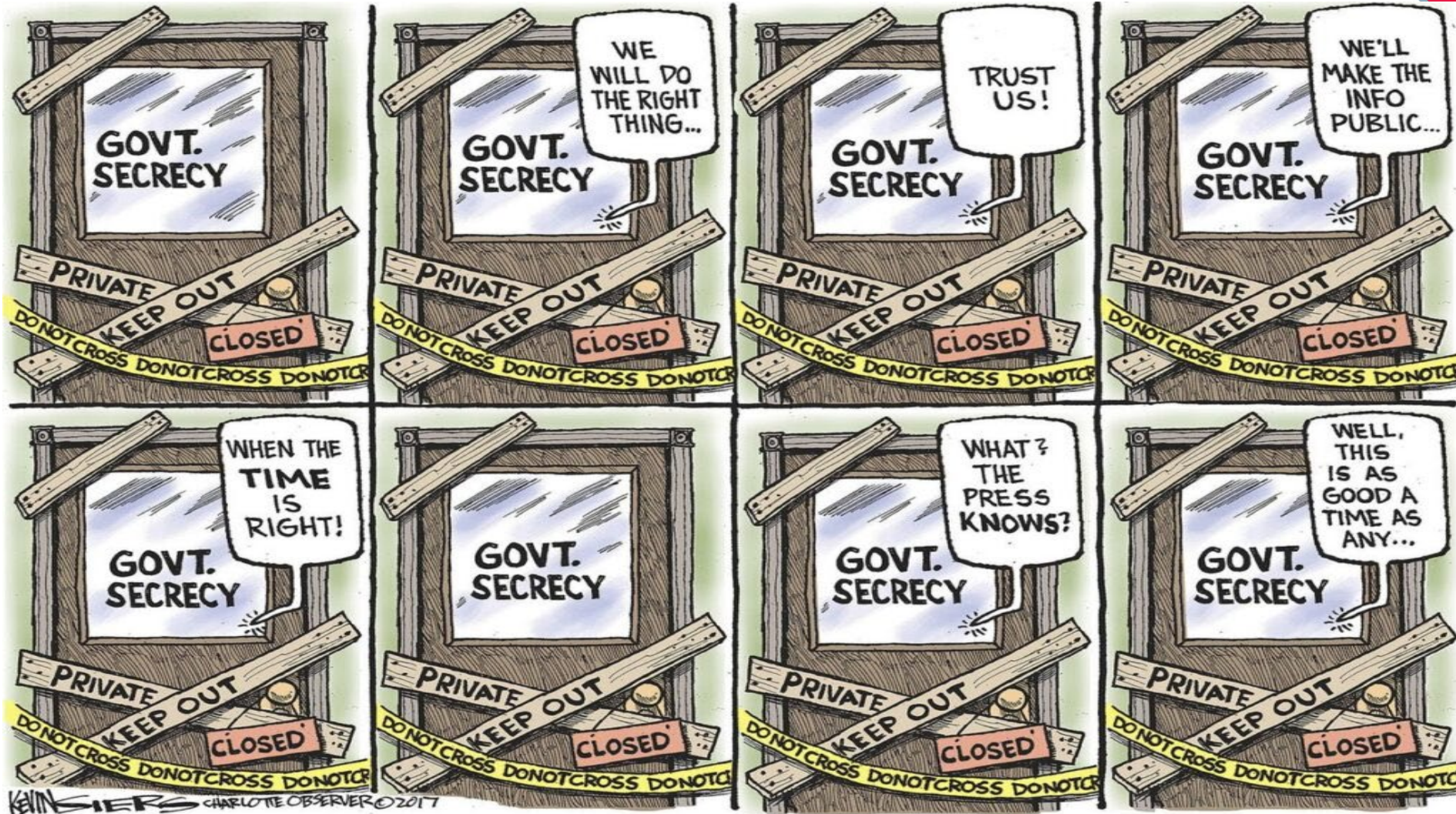
- Work Product: all intra- or inter-agency materials assembled for the benefit of elected officials that advise and express an opinion for the purpose of assisting the elected officials to make a decision
- Work product includes preliminary drafts and discussion copies that are NOT distributed to UPAC for discussion
- The elected official, however, can release any work product prepared by UPAC

Final Thoughts on CORA



- All public agencies are subject to CORA, including Colorado Springs Utilities
- All citizens (even non-Colorado Springs citizens), media, businesses, and even employees can request records
- Responding to CORA likely will be the responsibility of Colorado Springs Utilities:
 - Official records: Agendas, minutes, bylaws, meeting recordings
 - Emails that staff have sent or received and retained per retention policy
- Copy Bethany Schoemer on any UPAC-related correspondence
- UPAC members have no obligation to keep UPAC-related materials, notes, or correspondence unless there is a current CORA request

Another Incorrect Approach . . .



Open Meetings

Colorado Open Meetings Law



- Formation of public policy is public business and shall not be conducted in secret: All “meetings” shall be open to the public
- A “meeting” occurs any time **three** or more members of UPAC discuss UPAC or Colorado Springs Utilities’ public business or take formal action in person, over the telephone, or by email
- Assume a “meeting” occurs when using “reply all” by email
 - **Avoid “reply all”**; get assistance from Bethany Schoemer

Open Meetings – What is Not a “Meeting”



A chance meeting at a social gathering at which discussion of public business is not the central purpose.

Open Meetings Require Notice



- Notice is required when UPAC
 - Has **three** or more members present or expected to be present
AND
 - Intends to discuss or conduct UPAC or Colorado Springs Utilities public business; OR
 - Intends to adopt a proposed policy or position; OR
 - Needs to take formal action
- Notice shall be provided no less than 24 hours prior to the meeting
- Notice preferably posted on a public website and be searchable

Public Forum Surprises – No Public Notice



- UPAC Assignment is on the Same Topic as Forum
 - Three UPAC members attend unexpectedly
 - Best Practice: Just listen
 - Report back at next UPAC meeting
 - Less than three UPAC members attend unexpectedly
 - You may speak in your non-UPAC capacity
 - Report back at next UPAC meeting
- UPAC Assignment is not related to forum topic
 - Multiple UPAC members attend unexpectedly
 - You may speak in your non-UPAC capacity
- In all instances, immediately notify Bethany Schoemer afterwards

Open Meetings – UPAC May Hold Closed “Executive Sessions”

- UPAC may not adopt any proposed policy, position, resolution, rule, regulation or other formal action in an executive session
- Examples of purposes:
 - Legal advice on specific legal questions
 - Matters required by federal or state law or rules and regulations to be kept confidential
 - Transactions involving real, personal, or other property interests
 - Documents protected by CORA’s mandatory nondisclosure provisions

Final Thoughts on Open Meetings



- Work with Colorado Springs Utilities' UPAC liaison, Bethany Schoemer, whenever a meeting needs to be noticed
- Before sharing material with other members that might be discussed as part of UPAC or Colorado Springs Utilities' public business ask yourself:
 - Am I sending this to two or more members of UPAC?
 - Might a discussion commence?
 - Can Bethany Schoemer facilitate distribution of this material to the rest of the UPAC members?
- **Questions?**



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

Nuclear Generation Project Scope

Draft of December 13, 2024

Purpose

To examine nuclear power options for Colorado Springs Utilities



Questions to examine:

1. What should Springs Utilities be doing to prepare for nuclear power generation in the future?
2. What is the state of the technology (SMRs, etc.)?
3. What is the cost range for different options? Should cost be seen as prohibitive?
4. What are the environmental pros and cons, including waste disposal and emissions?
5. Are the water constraints in Colorado a prohibitive factor?
6. What is the regulatory environment in Colorado and nationally?

Questions to examine continued:

7. Are there federal or other funding or research opportunities that Springs Utilities should investigate?
8. How long does permitting take?
9. What is being done in the southwest and Rocky Mountain region – where similar water limitations and climate and altitude are found (i.e. projects in Wyoming)?
10. What are the opportunities for partnerships and collaboration?
11. What is recommended for the frequency of UPAC re-examining this topic, including for the EIRP?
12. Based on this assignments' findings, what areas need further evaluation by UPAC?

Nuclear Power Guest Presentations

- Colorado Springs Utilities (nuclear, military key account manager and public preference data)
- Colorado Energy Office
- American Public Power Association
- Grant County (WA) Public Utility District
- Utah Associated Municipal Power Systems
- TerraPower
- Bechtel



1. What should Springs Utilities be doing to prepare for nuclear power generation in the future?

- Create a road map and research plan to develop a basic knowledge of nuclear power options focusing on SMRs.
- Evaluate most promising nuclear options in the context of the next Electric Integrated Resource Plan (EIRP)
- Reconsider nuclear options every three to five years
- Investigate a nuclear siting permit at Clear Spring Ranch
- Develop relationships with potential partners
- Keep customers informed of plans and progress

2. What is the state of technology (SMRs, etc.)?

- Small Modular Reactors are not commercial in US
- Reactors are 20 – 300 MW per module vs 1,000 MW for conventional nuclear
- Scalable with 4 to 12 modules per site
- Long development times: construction 43 – 71 months
- Some 80 designs being developed in 19 countries
- One commercial plant each in China and Russia
- First generation SMRs planned in US with NuScale, TerraPower, Xenergy and others

3. What is the cost range for different options? Should cost be seen as prohibitive?

- Wide range of costs to build a plant in 2023
 - NuScale: \$21,561/kW
 - Xenergy: \$17,969/kW
 - TerraPower: \$12,347
- Cost projections have more than doubled in last 3 years
- Most recent conventional nuclear power plants: \$20,027/kW
- Utah Associated Municipal Power canceled a NuScale project when costs rose from \$42 to \$62/MWh
- Xcel rejected SMR for Comanche coal plant due to “cost and length of time to get off the ground.”
- Costs are prohibitive for utilities at this time

4. What are the environmental pros and cons, including waste disposal and emissions?

- Virtually no emissions of green house gases
- Helps meet net zero carbon goals
- Small footprints – 10% of conventional nuclear plant
- For emergency shutdown, uses less external energy due to passive safety systems
- Energy intensive construction with large quantities of concrete and steel
- No major challenges to waste management compared to conventional nuclear light water reactors (DOE)

5. Are the water constraints in Colorado a prohibitive factor?

- Water needed for cooling in most designs
- Other cooling options include gas, liquid metal, molten salt
- Can use non-potable water for cooling
- Palos Verde Nuclear Plant in Arizona uses municipal effluent
- Colorado should be able to serve SMR plants

6. What is the regulatory environment in Colorado and nationally?

- Colorado Energy Office Study analyzed options in 2023
 - Goal of zero carbon grid statewide by 2040
 - Lowest cost is technology neutral model that selects from all renewable options and SMR (\$51.6 billion)
 - Highest cost is mix of wind, solar, battery only (\$61 billion)
 - Next highest cost is SMR (\$60.8 billion)
 - SMR cost equivalent to about \$9,000/kW
- DOE seeks SMR deployment by early 2030s
- NRC requires construction permit and operating license
 - Allows seeking site permit without specifying reactor design
 - Oversight provided throughout life of plant

7. Are there federal or other funding or research opportunities that Springs Utilities should investigate?

- Department of Energy Grants of \$900 million will be awarded for SMR development
- \$9 billion appropriation approved in Senate and House virtually unanimously for advance nuclear development
- TerraPower plant to cost \$4 billion with \$2 billion from DOE and \$1 billion from Gates Foundation
- Commercial partners are participating in several SMR projects
 - Amazon, Microsoft, Dow Chemical, Alphabet/Google

8. How long does permitting take?

- DOE seeks domestic SMR deployment by late 2020s or early 2030s
- US Nuclear Regulatory Commission licensing requirements and process
 - Construction permit
 - Operating license
 - Combined construction and operating is an option
 - Early site permit is an option without specifying reactor design
 - A nuclear plant design may be sought separately through rulemaking without a site specification
 - Oversight provided throughout lifetime of plant
 - Operating licenses issued for 40 years, plus 20 year increments to 60 years and 80 (NREL)
- US S. 4753 would shorten judicial review times to 150 days from final agency action

How long does permitting take? Cont.

- Highly uncertain until there is more experience
- NuScale design certification 3 years 8 months for safety review
- TerraPower permitting process
 - Submit construction permit application: March 2024
 - NRC accepts construction permit application: May 2024
 - Begin construction for non-nuclear portion: June 2024
 - Begin construction of nuclear portion: 2026
 - Submit operating license application: 2027
 - Complete construction: 2030
- In July 2024, the President signed the Advance Act for advanced nuclear reactor policies
 - Requires Nuclear Regulatory Commission to implement faster licensing within 36 months. Could be 50% to 85% shorter

9. What is being done in the southwest and Rocky Mountain region – where similar water limitations and climate and altitude are found (i.e. projects in Wyoming)?

- NuScale SMR plant would have been located in Idaho
- TerraPower SMR plant will be located in Wyoming
- Retiring fossil fuel plants should free up water supplies

10. What are the opportunities for partnerships and collaboration?

- Colorado Utilities partnership opportunities with other utilities
 - Xcel
 - Black Hills Energy
 - Tri State Generation and Transmission Association (Mt. View Electric Cooperative and others)
 - A consortium of municipal utilities
- Customer partnership opportunities
 - Potential partners include data centers, distribution centers, military
- Utilities may provide sites and purchase power agreements
 - PacifiCorp, Grant Public Utility District, Utah Associated Municipal

11. What is recommended for the frequency of UPAC re-examining this topic, including for the EIRP?

- 3 to 5 years including the EIRP
- Consideration should be given to changing technology, economics, and impacts on safety, water use, licensing and related topics.
- The relatively slow rate of adoption for SMR provides time to understand the opportunities and challenges.
- Changes in net zero carbon goals and compliance may also influence the frequency of SMR review.

12. Based on this assignments' findings, what areas need further evaluation by UPAC?

- What are the prospects and implications of more flexible goals for carbon reductions?
- How may natural gas generation be retained for reliability and resilience operations?
- How can future costs related to climate change be managed?
- What are the portfolio options in the next EIRP?

CSU Residential Preferences of Generation by Fuel Type in 2024

- Solar: 67%
- Natural gas: 61%
- Wind: 56%
- Hydro/water: 37%
- Biofuel/landfill: 26%
- NUCLEAR: 25%
- Coal: 22%

Questions