



# Utilities Policy Advisory Committee Energy Vision Assignment Recommendation

Rex Adams, UPAC Chairman

Colorado Springs Utilities Board  
May 22, 2019

# UPAC Members

Rex Adams, Chair

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# Agenda

- Assignment Scope and Deliverables
- What an Energy Vision Should Be
- Pillars
- Strategic Plan – Strategy Map
- Situation Analysis
- Stakeholder Input
- Public Input Process
- Responses to Considerations
- Energy Vision Statement Recommendations
- Next Steps

# Assignment Scope

Develop a new Energy Vision, with public input, for the community's energy future based on four pillars: Economic, Environment, Resiliency, and Innovation.

# Assignment Deliverables

- ▶ Responses to the assignment considerations
- ▶ Vision statement



## Organizational Mission

To provide safe, reliable, competitively-priced electric, natural gas, water and wastewater services to the citizen owners and customers of Colorado Springs Utilities.

## Organizational Vision

Colorado Springs Utilities is a treasured community partner, well known for providing responsible and dependable services that are vital to the future of our region.

# What is an Energy Vision?

An Energy Vision is the guiding principles Colorado Springs Utilities uses to plan resources for future needs of the community.

## An Energy Vision Should Be...

- ▶ Truly a vision statement – inspirational
- ▶ Bold and relevant to industry trends
- ▶ Clear and concise
- ▶ Supported by specific actions and activities in the Integrated Resource Plans
- ▶ A partnership with customers, employees, the community and the region
- ▶ Flexible and adaptable to uncertain future

The Energy Vision will inspire and guide our customers, employees and the community with pride and ownership into the new energy landscape.

# New Energy Vision Pillars



## ECONOMIC

Cost-effective and equitable initiatives that drive a strong economy



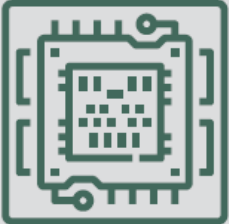
## ENVIRONMENT

Sustainable solutions that complement our natural resources



## RESILIENCY

Reliably withstand and recover from disturbances in a dynamic environment

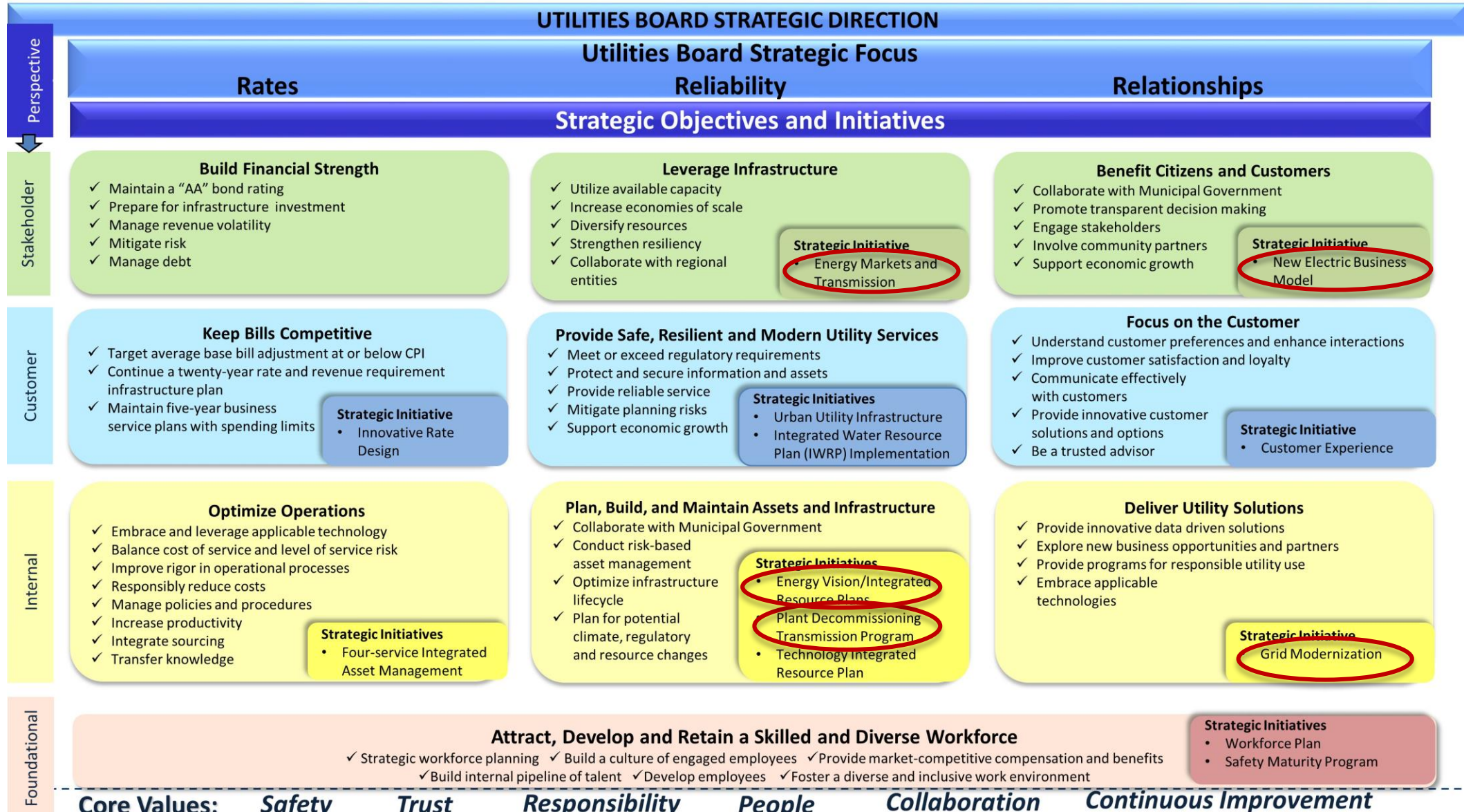


## INNOVATION

Proactively and responsibly evolve in a transforming landscape

**OUR FOUNDATION IS THE COMMUNITY WE SERVE**

# Strategic Plan – Strategy Map





# Strategic Plan

## Strategic Initiative – Energy Vision/Integrated Resource Plans

Responsible Division: Energy Services

Key Deliverable: Energy Vision and Integrated Resource Plan

Timeframe: 2018 – 2019

The Electric Integrated Resource Plan is a long-term strategic plan used to guide resource acquisition, conservation and demand side management decisions to meet consumer electric demand over a 20-year period. The Natural Gas Integrated Resource Plan (GIRP) is a long-term strategic plan used to guide natural gas resource acquisition needed to meet long-term customer demands, taking into account existing resources, the distribution system, electric generation, and efficiencies. The plan identifies when supply deficiencies may occur and the potential resources that could be built or acquired to meet the deficiencies.

The initiative will be guided by the Utilities Board Energy Vision and the combined plan will include a thorough technical analysis, public process and considers anticipated regulations, cost of service, new technologies and customer preference.

Focus: Reliability

Perspective: Internal

Objective: Plan, Build and Maintain Assets and Infrastructure

# Situation Analysis

Industry Trends/Evolving Business Model

Colorado Springs Utilities' Evolving Business Model

Regulatory Outlook

# Industry Trends/Evolving Business Model

- ▶ Six key factors driving major changes in electricity industry
  - Environmental and energy policies
  - Natural gas reliance and price uncertainty
  - Declining renewable technology costs
  - Flat or declining load growth
  - Changing consumer preferences
  - Information and communication technology improvements and deployment
- ▶ Changes have significant implications for resource planning
- ▶ Energy growth is stagnant but peak demand continues to increase
- ▶ More electric vehicles

## Industry Trends/Evolving Business Model

- ▶ New system and customer trends are accelerating the need for utility reform
  - Environmental performance
  - Resilience
  - Expanded choice
  - Innovation
    - Renewable energy
    - Beneficial electrification
    - Increased use of information technologies
    - Greater economic potential and new participation models for distributed energy resources (DERs)

## Colorado Springs Utilities' Evolving Business Model

- ▶ Installation of Advanced Metering Infrastructure (AMI) to all customers
- ▶ Joint Dispatch Agreement (JDA) pools resources to serve aggregate demand most economically
- ▶ Utility-scale Solar: Going from 19 MW to 264 MW plus battery storage in less than five years
- ▶ SmartCOS partnership
- ▶ Installation of workplace charging via a grant
- ▶ Rooftop solar program is growing exponentially
- ▶ Increased emphasis is being placed on demand management
- ▶ Electrification study with the Quad Partnership
- ▶ Work with military customers on resiliency options and potential microgrids

## Regulatory Outlook

- ▶ Legislative policies and regulatory rule-making are important considerations for long-term planning
- ▶ Continue to plan for greenhouse gas emissions reductions in Colorado, as opposed to renewable energy targets, evidenced by the passage of HB19-1261
- ▶ It remains to be seen what rules will be developed as a result of the bill



# Stakeholder Input

- ▶ City of Colorado Springs Office of Sustainability – Ryan Trujillo, Sustainability Manager
  - SmartCity, microgrid, smart meters, electric vehicles
  - Branding the new energy vision for the community
  - Robust community engagement
- ▶ Peterson Air Force Base – Dan Rodriguez, Deputy Base Civil Engineer
  - Energy strategy
  - Energy consumption/cost trends
  - Energy goals (improve resilience, optimize demand, assure supply)
  - Future considerations
- ▶ Fort Carson – Hal Alguire, Director of Public Works
  - Efficiency goals
  - Energy resiliency
  - Cost effective utility services



# Public Input Process – Objectives

- ▶ Inform the public on what the Energy Vision is and how it will be used to guide the creation and implementation of the EIRP and GIRP.
- ▶ Encourage community involvement in development of the new Energy Vision.
- ▶ Measure public opinion of proposed Energy Vision statements using quantitative and qualitative means for recommendation to the Utilities Board.



# Public Input Process – Informing the Public and Measuring Public Input

- ▶ Communications began in January and will continue through the Integrated Resource Planning process
- ▶ Channels
  - Local News Media (TV, Newspaper, Radio)
  - Blogs
  - Web Page
  - Social Media
  - Printed and Electronic Newsletters  
(Residential, Business, Employees)
  - Targeted Emails
- ▶ Surveys
  - March 25–April 19
  - Scientific and Subjective Surveys
  - Residential and Business Customers
  - Geographically and Demographically Diverse



# Public Input Process

## Public Meetings

- ▶ UPAC Meetings – February 6, March 6, March 19, April 3, May 8, June 5
- ▶ Utilities Board Meetings – May 22, June 19
- ▶ Business Users Group – April 18
- ▶ Open House/Town Hall – April 18

## Public Comment Summary (public meetings and email)

- ▶ 49 emails
- ▶ More than 60 comment cards from college students
- ▶ February, March and April UPAC meetings: 23 citizen commenters, 3 written comments
- ▶ Business Users Group: 66 attendees, 6 questions
- ▶ April Open House/Town Hall: 109 attendees, 35 citizen commenters, 44 written comments
- ▶ Most advocate closing Drake for the environmental benefit, including air quality, and using more renewable energy



# Public Input Process

## Public Comment Summary (public meetings and email), cont.

- ▶ All public comment received was provided to UPAC
- ▶ Of the Open House written comments, the majority preferred Draft Energy Vision #3
  - 26 comments directly related to the Energy Vision
  - 18 comments relating to energy sources, Drake, and other issues
- ▶ Of Open House verbal comments, 8 customers identified their preference to be Draft Energy Vision statement #3
- ▶ Most advocate closing Drake for the environmental benefit, including air quality, and using more renewable energy
  - Open House comments suggested incorporating 100% renewable energy, sustainability, carbon-free or neutral, and conservation

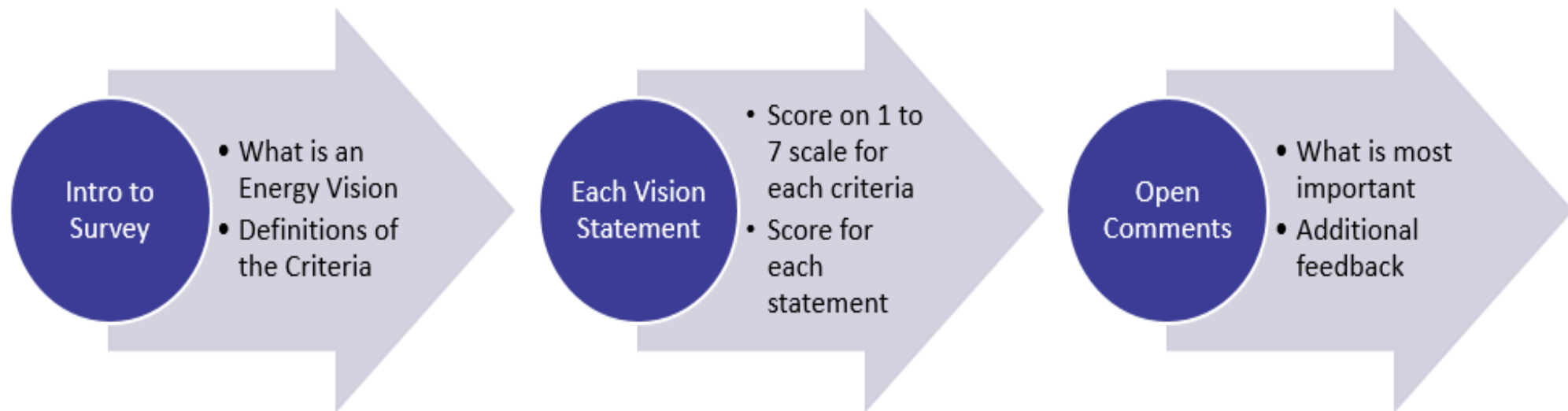
### Draft Energy Vision Statement #3

*“Provide resilient, reliable and cost-effective energy that is environmentally sustainable, reducing our carbon footprint and using state-of-the-art technologies.”*

# Public Input Process – Survey

## Objective and Methodology

- ▶ Objective: Capture community feedback for UPAC's use in drafting Energy Vision statement recommendations to the Utilities Board
- ▶ Reviewed mean scores for statement and criteria and completed a multi-step verbatim analysis



# Public Input Process – Survey

## Survey Execution

- ▶ Over 1,500 completed surveys
- ▶ Over 3,000 comments reviewed
- ▶ Quantitative Results
  - Residential
- ▶ Qualitative Results
  - Open Web Survey
  - Commercial
  - Employees



# Public Input Process – Survey

## Draft Energy Vision Statements

### Statement 1

*Deliver clean, sustainable energy that adds value to customers' lives, contributes to the prosperity of the community and enhances our quality of life for generations to come.*

### Statement 2

*Deliver clean, reliable, innovative and fiscally responsible energy solutions that drive a strong economy, sustainably complement our natural resources, and withstand and recover from disturbances.*

### Statement 3

*Provide resilient, reliable and cost-effective energy that is environmentally sustainable, reducing our carbon footprint and using state of the art technologies.*

### Statement 4

*Supply exceptional electric and natural gas service to all customers that achieves safety, reliability, economy, and environmental sustainability.*

# Public Input Process – Survey

## Top Scoring Energy Vision Statements

### Statement 1

*Deliver clean, sustainable energy that adds value to customers' lives, contributes to the prosperity of the community and enhances our quality of life for generations to come.*

### Statement 3

*Provide resilient, reliable and cost-effective energy that is environmentally sustainable, reducing our carbon footprint and using state of the art technologies.*

	Statement 1	Statement 2	Statement 3	Statement 4
Bold, Inspirational	4.79	4.60	4.88	4.21
Simple, Concise	4.77	4.07	4.84	4.90
Clear Direction	4.54	4.42	4.81	4.58
Enduring	4.74	4.45	4.71	4.36
<b>Total</b>	<b>4.71</b>	<b>4.39</b>	<b>4.81</b>	<b>4.51</b>

Green – highest score

Red – lowest score

# Responses to Considerations

How is a new Energy Vision developed that is flexible and adaptable to a transforming energy landscape and evolving customer expectations?

The new Energy Vision should be guiding principles that drive strategic decisions about our energy future, including environmental, economic, and resiliency considerations and encouraging innovative strategies. The Energy Vision should not focus on specific technologies, financial goals or energy resources.

How does Colorado Springs Utilities partner with the City of Colorado Springs and other stakeholders to develop the new Energy Vision?

The Energy Vision is developed based on input from Utilities and City staff members, military installations, the public, residential and business customers and other stakeholders.



# Responses to Considerations

What community feedback is needed to development the new Energy Vision?

Through surveys, public meetings and online comments, the community provides input on the degree to which each of the final four draft statements is bold and inspirational, simple and concise, provides clear direction and is enduring. Other suggestions and comments are also considered. Community input is used to develop the proposed new Energy Vision statement.

What changes to the current energy business model should be considered?

In the upcoming Electric and Gas Integrated Resource Plans and other Strategic Initiatives, Colorado Springs Utilities should consider the speed and efficacy of adopting new technologies, changing customer expectations, changes to rate structures, energy efficiency and demand reduction, and converting fossil fuel uses, such as for heating and transportation, to electric.

# Energy Vision Statement Recommendation

*Provide resilient, reliable and cost-effective energy that is environmentally sustainable, **reduces** our carbon footprint and **uses proven** state of the art technologies **to enhance our quality of life for generations to come.***

# Next Steps

Utilities Board approval of the New Energy Vision Statement – June 17

Utilities Board approval of UPAC's Integrated Resource Plans Assignment Scope and Deliverables – June 17

UPAC's Integrated Resource Plans Assignment – June 2019 through third quarter, 2020

# Questions and Discussion