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## **Parties reach settlement on key Colorado energy issues**

*Expanding renewable energy, new electricity pricing among components of agreement*

**DENVER, Colorado** (August 15, 2016) – In what is the largest proposed agreement of its kind in Colorado history, involving a record number of intervenors and key energy issues, Xcel Energy and other parties today reached a global settlement agreement that will help set the course for the state’s energy future.

In filings today with the Colorado Public Utilities Commission (CPUC), Xcel Energy and 22 of 26 intervenors agreed, in total or in part, on a global settlement on three recent Xcel Energy filings, including the company’s Phase II Electric Rate Case, Solar\*Connect, and the 2017 Renewable Energy Plan.

“The agreement will benefit Xcel Energy’s Colorado customers by allowing us to move forward with the ‘Our Energy Future’ initiative. It will allow us to meet our customers’ expectations by giving them more control over their energy choices. It will bring more renewable and carbon-free energy to Colorado through the use of new technologies, and it will be provide affordable and reliable energy to further power the state’s economy,” said Alice Jackson, regional vice president for rates and regulatory affairs, Xcel Energy – Colorado.

Jackson praised the effort of all parties on the settlement, noting that it represents one of the most comprehensive and complex agreements of its kind, with signatories representing all 1.4 million Xcel Energy customers in the state. The settlement will go before the CPUC for approval, and parties anticipate hearings on the settlement to take place in October, with a decision by the end of 2016.

### **Phase II Electric Rate Case**

Xcel Energy had proposed improvements to its current electricity pricing to make customer’s bills more transparent and understandable. The company’s goal is to provide enough flexibility to allow customers more options for their energy needs while allowing them to take advantage of new and emerging technologies. As part of the settlement, Xcel Energy and parties agreed to begin a transition, and test out new rate designs for its residential customers.

- **Residential Energy-Based “Time of Use” (TOU) and Time Differentiated Rate Programs:** Xcel Energy would offer two new, voluntary programs for up 20,000 customers in 2017, 34,000 customers in 2018, and 48,000 customers in 2019. These programs essentially offer lower energy rates when the cost of providing electric service is lower, primarily due to a lower demand for electricity. Such rates generally lead to a more efficient use of energy and will be more beneficial to electric vehicles users.

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- **Evaluation of the Programs:** At the end of 2019, the Company will present to the CPUC the outcome of the Residential Energy-Based TOU program. Provided the analysis of the program shows that the program should be expanded, all residential customers would transition to energy based TOU billing some time in 2020.
- **Battery Storage:** Xcel Energy would institute a process for battery storage interconnections, to take advantage of an emerging technology (battery storage) with the potential for environmental and price benefits, provided that they meet certain safety and technical requirements.
- **Grid Use Charge:** Xcel Energy would withdraw its grid use charge as originally filed.

### Solar\*Connect Program

Xcel Energy would be allowed to pursue its previously proposed “Solar\*Connect” program, but under a new name, “Renewable\*Connect.” Renewable\*Connect calls for a new, 50-megawatt solar resource; it would initially be available to residential and small-commercial customers. Renewable\*Connect provides another option to consumers looking to take advantage of future investments in renewable energy.

### Renewable Energy Plan

Xcel Energy had initially proposed its 2017 Renewable Energy Plan to address acquisition of resources from 2017-2019, including rooftop solar and community solar gardens. It was designed to ensure continued exceedance of the minimum requirements of the Colorado Renewable Energy Standard in a cost-effective manner. Under terms of the settlement, Xcel Energy and parties agreed to:

- **Expansion of the Solar\*Rewards and Solar\*Rewards Community Programs:** Xcel Energy would increase the level of participation in the Solar\*Rewards medium-sized program to 24-megawatts a year, and would offer the large-sized program for the first time since 2012. In all, the program expansion would result in a maximum of 342 megawatts of new solar between 2017 and 2019.

| Program   | 2017 Capacity | 2018 Capacity | 2019 Capacity | Total RES Capacity |
|---|---------------|---------------|---------------|--------------------|
| S*R Small Option A  | 24            | 24            | 24            | 123                |
| S*R Small Option B*   | 9             | 18            | 24            |                    |
| S*R Medium  | 24            | 24            | 24            | 72                 |
| S*R Large   | 6             | 10            | 14            | 30                 |
| Minimum S*R Community   | 15            | 15            | 15            | 45                 |
| Maximum S*R Community   | 30            | 35            | 40            | 105                |
| Low-Income S*R Community.   | 4             | 4             | 4             | 12                 |
| <b>Total Program Capacity**</b>                                       | <b>97</b>     | <b>115</b>    | <b>130</b>    | <b>342</b>         |
| <i>* For proposed Residential Time Differentiated Rate Pilot</i>      |               |               |               |                    |
| <i>** Includes maximum S*R Community and Low-Income S*R Community</i> |               |               |               |                    |

- **Low-Income Solar\*Rewards:** In an effort make solar more accessible to low-income customers, Xcel Energy would provide for new offerings for both solar gardens and private (on-site) solar. The company would work with the Colorado Energy Office to develop the rooftop solar program, and would reserve a portion of its solar garden offerings for low-income customers.
- **Windsorce:** The company has agreed to reduce its Windsorce premium price to \$1.50 per block of 100 kilowatt-hours. In addition, the company will explore the future of Windsorce, first offered in 1998, with a possible consolidation of the program with the proposed Renewable\*Connect program.
- **Recycled Energy:** The settlement also calls for a favorable new tariff for recycled energy projects in Colorado. Recycled energy generators produce power from waste heat or steam that would otherwise not be captured during a manufacturing process.

As previously noted, Xcel Energy and intervenors took part in discussions over the past several months, which resulted in today's global settlement announcement. Not all parties, however, debated all three issues. The following list notes the parties who joined all or portions of the settlement agreement:

|  |   |   |
|--|---|---|
| Xcel Energy                                      | Staff of Colorado Public Utilities Commission (Staff) | Office of Consumer Counsel (OCC)                    |
| CF & I Steel L.P.                                | City and County of Denver                             | City of Boulder                                     |
| Clean Energy Collective                          | Climax Molybdenum Co.                                 | Colorado Communications and Utility Alliance (CCUA) |
| Colorado Energy Consumers (CEC)                  | Colorado Energy Office (CEO)                          | Colorado Independent Energy Association (CIEA)      |
| Colorado Solar Energy Industries Assoc. (COSEIA) | Energy Freedom Coalition of America (EFCA)            | Energy Outreach Colorado (EOC)                      |
| Grid Alternatives Inc.                           | NextEra Energy Resources LLC Ormat Nevada Inc.        |   |
| Solar Energy Industries Assoc. (SEIA)            | Sunrun Inc.   | SunShare  |
| Vote Solar                                       | Western Resource Advocates (WRA)                      |   |

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### About Xcel Energy

Xcel Energy (NYSE: XEL) provides the energy that powers millions of homes and businesses across eight Western and Midwestern states. Headquartered in Minneapolis, the company is an industry leader in responsibly reducing carbon emissions and producing and delivering clean energy solutions from a variety of renewable sources at competitive prices. For more information, visit [xcelenergy.com](http://xcelenergy.com) or follow us on [Twitter](#) and [Facebook](#).

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