

Xcel Energy Media Relations 1800 Larimer St., Suite #1400 Denver, Colorado 80202 (303) 294-2300 www.xcelenergy.com

Xcel Energy unveils plans for Advanced Grid

Effort to provide Colorado customers with next generation energy infrastructure

DENVER, Colorado (August 3, 2016) – Xcel Energy today announced a long-term strategic initiative for Colorado, known as Advanced Grid Intelligence and Security (AGIS), which will improve power reliability, allow for better integration of distributed generation on to the electric grid, and provide customers with more information to control and track their energy use.

In a filing made with the Colorado Public Utilities Commission (CPUC), the company noted plans for building an intelligent energy infrastructure for its Colorado customers. The proposal includes several key components – including an advanced meter rollout, a power quality optimization program, and improvements in the communication network. The total cost of the proposal is approximately \$500 million.

"The utility industry is undergoing significant change in the way it provides and manages power. At the same time, our customers are becoming increasingly interested in new technologies, such as advanced home applications, battery storage, private solar and electric vehicles," said David Eves, president, Xcel Energy – Colorado. "The advanced power grid is the foundation that will enable the reality of Colorado's energy future."

In its filing, Xcel Energy is requesting a Certificate of Public Convenience and Necessity (CPCN) to approve:

- Implementation of an advanced meter rollout know as Advanced Metering Infrastructure (AMI) for Colorado electric customers:
- Implementation of new technology called Integrated Volt Var Optimization (IVVO) to allow customers' appliances to run more efficiently and, in turn, use less energy and potentially reduce monthly bills; and;
- Implementation of communication network components known as the Field Area Network (FAN), which will be needed to support advanced meters and IVVO technology, essentially tying the system together. FAN is a wireless communications system that connects Xcel Energy's control centers with intelligent, integrated grid devices that enable remote monitoring and control of the electric grid.

The Advanced Grid filing furthers "Our Energy Future" for Colorado, introduced by the company in January 2016, by addressing the key components of the initiative: maximize the advantages of technology, provide customer options and choice, and power the state's economy.

As part of "Our Energy Future," the Advanced Grid better accommodates local energy generation, and it also provides more flexibility to allow for efficient and cost effective use of electric vehicles, energy storage, and battery systems. In that way, it is good for our customers and good for the environment, Eves said.

If approved by the CPUC, Xcel Energy is proposing to implement AMI and the associated components of the FAN to support them, across its Colorado service area between 2018 and 2021. The IVVO implementation would take place between 2017 and 2021.

In addition to these components, Xcel Energy has other efforts underway to build an advanced energy infrastructure. Those initiatives include software to help monitor, control and optimize electricity delivery through an Advanced Distribution Management System; installation of automated switching devices to more quickly isolate outages and improve service restoration times; and use of sensor data to improve outage location and prediction.

Xcel Energy also will pursue and integrate its experiences with two battery demonstration projects in the Stapleton neighborhood in Denver, and at the new Panasonic facility near Denver International Airport. These pilots will respectively be studying the potential of utility scale and customer sited batteries to help manage increasing solar penetration, and to provide backup power for critical commercial facilities.

And finally, underlying all of these programs is the information technology support and protections necessary to operate a secure, technologically-advanced grid in today's world.

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 xxeelenergy.com or follow us on Twitter and Facebook.