



CITY COUNCIL ACTION FORM

DEPARTMENT	PRESENTED BY	DATE
Administration	Drew Nelson - City Administrator	August 1, 2023

ITEM

Resolution 2023 – 34 Approving the City of Salida Energy Action Plan Implementation Phase Memorandum of Understanding

BACKGROUND:

In 2022, the City of Salida began working with Xcel Energy's Partners in Energy to create an Energy Action Plan. Over nine months, community stakeholders participated in three workshops to define the City's energy vision and goals and identify strategies to achieve those goals. The Energy Action Plan on the City's Sustainability Page aligns with and supports Salida's Climate Action Plan by establishing targets and strategies in three focus areas: energy supply, residential energy and commercial energy. Implementing the Energy Action Plan strategies will contribute to achieving the City's goal of reducing energy-related carbon emissions.

STAFF RECOMMENDATION:

Staff recommends Council approve Resolution 2023 –34 Approving the City of Salida Energy Action Plan Implementation Phase Memorandum of Understanding

RECOMMENDED MOTION:

A City Council Member should state the following "I move to approve Resolution 2023 – 34 Approving the City of Salida Energy Action Plan Implementation Phase Memorandum of Understanding"

**CITY OF SALIDA,
COLORADO
RESOLUTION NO. 34
(Series 2023)**

**A RESOLUTION OF THE CITY COUNCIL FOR THE CITY OF SALIDA,
COLORADO ENTERING INTO A MEMORANDUM OF UNDERSTANDING WITH
XCEL ENERGY FOR THE PARTNERS IN ENERGY PROGRAM
IMPLEMENTATION PHASE**

WHEREAS, the Salida City Council has approved the Energy Action Plan detailing the commitment to cut emissions 50% by 2030; and

WHEREAS, Xcel Energy provides electric power to all residences and businesses within the City of Salida through a franchise agreement; and

WHEREAS, Xcel Energy is a valued partner in energy delivery to the City; and

WHEREAS, Xcel Energy has technical expertise that it can provide to the City to implement goal and actions recommended by the Energy Action Plan; and

WHEREAS, the Salida City Council finds and determines that the best interest of the City will be served by entering into an Memorandum of Understanding (“MOU”) with Xcel Energy for the Partners in Energy Program Implementation Phase and authorizing the Mayor or City Administrator to execute the same on behalf of the City.

**NOW, THEREFORE, IT IS RESOLVED BY THE CITY COUNCIL
OF THE CITY OF SALIDA, COLORADO, THAT:**

Section 1. The Salida City Council incorporates the foregoing recitals as its conclusions, facts, determinations and findings.

Section 2. The Salida City Council approves the terms of the Memorandum of Understanding with Xcel Energy, attached as **Exhibit A** and authorizes the Mayor or City Administrator to execute the MOU on behalf of the City.

RESOLVED, APPROVED AND ADOPTED on this 1st day of August, 2023.

CITY OF SALIDA,
COLORADO

Mayor Dan Shore

(SEAL)

ATTEST:

City Clerk

Memorandum of Understanding Phase 2 – Plan Implementation

Drew Nelson and Christy Doon
City of Salida
448 E First Street, Suite 112
Salida, CO 81201

The intent of this Memorandum of Understanding is to recognize the achievement of the City of Salida (the City) in developing an Energy Action Plan. Xcel Energy, through its Partners in Energy offering, has supported the development of this Energy Action Plan. This document outlines how the City of Salida and Xcel Energy will continue to work together to implement this Energy Action Plan.

The term of this joint support, as defined in this document, will extend from August 1, 2023 through January 31, 2025.

Xcel Energy will support the City of Salida in achieving the goals of its Energy Action Plan in the following ways:

Energy Supply (ES) Focus Area

- **Strategy ES-1: Advocate for clean, local, and resilient energy supply.**
 - Connect the City of Salida with Xcel Energy opportunities related to community renewable generation priorities.
 - Communicate opportunities to participate in Xcel Energy regulatory processes and decision making.
- **Strategy ES-2: Explore the adoption of codes and policies that support local renewable energy generation.**
 - Connect City of Salida with Xcel Energy and Colorado Energy Office resources to support code updates, as relevant.
- **Strategy ES-3: Provide funding and incentives for local residential, commercial, and community solar projects.**
 - Monitor state and federal grant funding opportunities that could support local or regional solar incentives.
 - Research and provide a summary of relevant funding and financing programs and best practices for local solar funding and incentives.
 - Co-lead engagement of key stakeholders to inform design of incentive or other program to encourage local solar, including facilitation of up to 3 focus groups or interviews.
 - Provide support with program design and outreach.

Support funded by Xcel Energy for this strategy is not to exceed 55 hours. These hours will include those provided through our Partners in Energy team from Brendle Group and do not include support provided by Xcel Energy internal program staff.

Residential Energy (RE) Focus Area

- **Strategy RE-1: Provide residential education and outreach related to energy efficiency, electrification, and renewable energy.**
 - Develop an outreach plan outlining key messages, communication channels, roles, activities, and timeline for strategic outreach during 2024.
 - Provide communications and engagement support, including attendance at up to 3 events.
 - Develop collateral according to outreach plan and support distribution.
- **Strategy RE-2: Provide outreach and training to residential developers, architects, and contractors on up-to-date energy codes and best practices.**
 - Develop an outreach plan that outlines key messages, communication channels, roles, activities, and timeline.
 - Develop collateral and resources according to outreach plan and support outreach plan implementation.
- **Strategy RE-3: Provide local funding and incentives to support residential energy efficiency and electrification retrofits.**
 - Research available funding and best practices for providing additional incentives to support residential energy efficiency improvements.
 - Support community engagement (e.g., online survey development and administration, focus group planning support).
- **Strategy RE-4: Explore the adoption of a policy and/or pilot program to encourage residential energy disclosure, efficiency, and electrification at trigger events such as point of sale.**
 - Research best practice residential energy disclosure policies and programs in other communities.
 - Support stakeholder engagement (e.g., property owners, residents, home inspectors, home energy assessment providers, Energy Smart Colorado) to inform pilot program development.

Support funded by Xcel Energy for this strategy is not to exceed 100 hours. These hours will include those provided through our Partners in Energy team from Brendle Group and do not include support provided by Xcel Energy internal program staff.

Commercial Energy (CE) Focus Area

- **Strategy CE-1: Provide business education and outreach related to energy efficiency, electrification, and renewable energy.**
 - Develop an outreach plan that identified key educational needs, outlines key messages, communication channels, roles, activities, and timeline.
 - Support implementation of the outreach plan (e.g., through connecting City of Salida with Xcel Energy business energy assessment vendor to support business walks.)
- **Strategy CE-2: Provide outreach and training to commercial developers, architects, and contractors on energy efficiency and electrification best practices.**

- Develop an outreach plan that outlines key messages, communication channels, roles, activities, and timeline.
- Develop collateral according to outreach plan.
- Support implementation of outreach plan.
- **Strategy CE-3: Improve the energy efficiency of existing and new government and institutional properties.**
 - Connect facility managers with resources related to opportunities for energy audits and efficiency improvements for local institutions.
- **Strategy CE-4: Explore the adoption of an energy benchmarking policy and/or pilot program to encourage energy efficiency and electrification retrofits in existing commercial buildings**
 - Research best practices for energy benchmarking in commercial buildings.
 - Support stakeholder engagement, (e.g., by supporting focus groups, administering an online survey.)
 - Provide connection to energy efficiency and electrification resources.

Support funded by Xcel Energy for this strategy is not to exceed 100 hours. These hours will include those provided through our Partners in Energy team from Brendle Group and do not include support provided by Xcel Energy internal program staff.

Project Management, Reimbursed Expenses and Bonus

- Facilitate regular check-in meetings with city staff, track and report energy impacts and activities (process biannual data from Xcel Energy) and help coordinate implementation kick-off activities.
- Attend bi-monthly City of Salida Sustainability Committee Meetings to present progress and coordinate implementation activities.
- Provide communications about Partners in Energy annual events and monthly webinars to collaborate and learn from other communities in Partners in Energy.
- Provide up to \$2,500 in direct financial support or reimbursed expenses related to printing and distribution of co-branded marketing materials, venue fees, food, and other related needs associated with outreach and education. Xcel Energy funding will not be provided for the purchase of alcohol.

Support funded by Xcel Energy for project management is not to exceed 60 hours. These hours will include those provided through our Partners in Energy team from Brendle Group and do not include support provided by Xcel Energy internal program staff.

The City of Salida commits to supporting the Energy Action Plan to the best of its ability by:

- Achieving the energy impacts outlined in the energy action plan and shown in the table below:

DSM Targets Impact

	Electricity Savings (in kWh)	Natural Gas Savings (in therms)
2019 – 2021 Baseline Historic Energy Savings	333,973	16
Incremental Plan Energy Savings (8/1/23 - 12/31/24)	1,825,704	124
Total Plan Energy Savings (baseline + plan energy savings)	2,159,677	140

PV Solar Targets Impact

	Electricity Generated (in kWh)
2021 Baseline Electricity Generated	3,601,858
Additional kWh Generated in Implementation (8/1/23 - 12/31/24)	3,601,858
Annual kWh Generated at End of Plan	7,203,717

- Performing the coordination, tracking, and outreach duties as outlined in the Energy Action Plan that include but are not limited to the following:

Energy Supply (ES) Focus Area

- **Strategy ES-1: Advocate for clean, local, and resilient energy supply.**
 - Identify advocacy priorities.
 - Convene regional advocacy activities.
 - Participate in Chaffee County Sustainability Plan development.
 - Engage utilities to support actions that contribute to a resilient and flexible regional grid.
 - Continue participating in CC4CA to bring forward collected advocacy opportunities to local elected officials and groups as appropriate.
- **Strategy ES-2: Explore the adoption of codes and policies that support local renewable energy generation.**
 - Pursue SolSmart designation.
 - Explore the potential to implement streamlined and/or simplified solar permitting processes based on SolSmart assessment.

- Collaborate with Chaffee County to explore the potential to update regional building and energy codes to encourage renewable energy generation.
- **Strategy ES-3: Provide funding and incentives for local residential, commercial, and community solar projects.**
 - Research potential general fund resources for use as local match for potential grant opportunities to support funding and incentives for local solar.
 - Engage Chaffee County to explore potential or adoption of Colorado C-PACE.
 - Co-lead engagement of key stakeholders to inform understanding of most suitable programs to encourage local solar.
 - Design, develop, and administer local solar program (e.g., grants, low-cost financing or group buy program), if supported.
- **Strategy ES-4: Explore regional opportunities to pursue geothermal energy.**
 - Incorporate geothermal energy into new fire station design and construction.
 - Consider incorporation of geothermal energy in future municipal construction projects as feasible.
 - Coordinate with Center for Clean Energy Economy and remain involved in regional geothermal collaboration efforts.

Residential Energy (RE) Focus Area

- **Strategy RE-1: Provide residential education and outreach related to energy efficiency, electrification, and renewable energy.**
 - Review outreach plan developed by Partners in Energy team.
 - Identify existing channels for distribution of residential outreach materials.
 - Identify and leverage existing and emerging outreach opportunities.
 - Lead implementation of outreach plan and distribution of residential outreach materials.
- **Strategy RE-2: Provide outreach and training to residential developers, architects, and contractors on up-to-date energy codes and best practices.**
 - Engage with Chaffee County and other local municipalities regarding potential code updates and implication of recent state legislation.
 - Identify existing outreach and communications channels to reach local developers and contractors.
 - Review outreach plan developed by Partners in Energy team.
 - Implement outreach plan and distribute outreach via identified channels.
- **Strategy RE-3: Provide local funding and incentives to support residential energy efficiency and electrification retrofits.**
 - Identify municipal financial resources to support residential energy efficiency improvements and prepare potential 2024 budget placeholder request.
 - Engage community members, for example through a survey and/or focus groups, to understand what types of incentives would be most helpful for making home energy efficiency and electrification improvements.

- Develop recommendations for a new incentive program to support residential energy efficiency and electrification and present to City Council for review.
 - Implement incentive program in collaboration with Energy Smart Colorado.
- **Strategy RE-4: Explore the adoption of a policy and/or pilot program to encourage residential energy disclosure, efficiency, and electrification at trigger events such as point of sale.**
 - Support research on best practice residential energy disclosure policies, drawing on existing networks.
 - Engage stakeholders to inform pilot program development.
 - Design and implement voluntary pilot program.
 - Use results of pilot program to inform recommendations for policy or program development.

Commercial Energy (CE) Focus Area

- **Strategy CE-1: Provide business education and outreach related to energy efficiency, electrification, and renewable energy.**
 - Identify existing channels for business education and outreach.
 - Lead distribution of outreach and education materials via identified channels.
- **Strategy CE-2: Provide outreach and training to commercial developers, architects, and contractors on energy efficiency and electrification best practices.**
 - Identify existing outreach and communication channels to reach local developers and contractors.
 - Implement outreach plan and distribute outreach via identified channels.
 - Collaborate with Chaffee County to engage development community on updated State code requirements.
- **Strategy CE-3: Improve the energy efficiency of existing and new government and institutional properties.**
 - Support engagement of local institutions.
 - Inventory municipal properties and identified completed energy efficiency improvements and “low-hanging” fruit opportunities.
 - Enroll municipal properties in benchmarking through ENERGY STAR Portfolio Manager.
 - Conduct energy assessments on municipal properties.
 - Implement energy efficiency improvements identified through energy assessments.
 - Establish retro commissioning schedules as appropriate for properties with recent energy improvements.
- **Strategy CE-4: Explore the adoption of an energy benchmarking policy and/or pilot program to encourage energy efficiency and electrification retrofits in existing commercial buildings**
 - Engage stakeholders to inform pilot program or policy using existing channels.
 - Design and implement voluntary pilot program or draft phased policy for benchmarking and disclosure of energy use.

Project Management

- Participate in coordination and tracking of scheduled check-ins, activities, and events.
- Provide Xcel Energy with an opportunity to review marketing materials that incorporate the Xcel Energy logo or any reference to Xcel Energy products or services to assure accuracy.
- Share the plan document, supporting work documents, collateral, and implementation results from the Energy Action Plan with the public.

Legal Applicability and Waiver

This is a voluntary agreement and not intended to be legally binding for either party. This Memorandum of Understanding has no impact, nor does it alter or modify any existing Franchise Agreement or other existing agreements between Xcel Energy and the City. Parties agree that this Memorandum of Understanding is to memorialize the intent of the Parties regarding Partners in Energy but does not create a legal agreement between the Parties. It is agreed by the Parties that nothing in this Memorandum of Understanding will be deemed or construed as creating a joint venture, trust, partnership, or any other legal relationship among the Parties. This Memorandum of Understanding is for the benefit of the Parties and does not create third party rights. Nothing in this Memorandum of Understanding constitutes a waiver of the City of Salida's ordinances, City of Salida regulatory jurisdiction, or Colorado's utility regulatory jurisdiction.

Single Points of Contact

All communications pertaining to this agreement shall be directed to Christy Doon, on behalf of the City of Salida, and Sofia Troutman, on behalf of Xcel Energy.

Xcel Energy is excited about this opportunity to support the City of Salida in advancing its goals. The resources outlined above and provided through Partners in Energy are provided as a part of our commitment to the communities we serve and Xcel Energy's support of energy efficiency and renewable energy as important resources to meet your future energy needs.

For the City of Salida:

Signature:

Name:

Title:

Date:

For Xcel Energy:

Signature:

Name:

Title:

Date:
