Colorado Springs Utilities
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UTILITIES BOARD WORKING COMMITTEE
Rosemont Conference Room
121 S. Tejon St., South Tower, 5th Floor
Colorado Springs, CO 80903

AGENDA
March 16, 2026
Join the meeting now
Dial in by phone
+1 719-733-3651,,767137261#

If you require an ADA-accessible version of this packet of information, please send an email to ub@csu.org or call 719-448-4800.

9:00 a.m.	Call to Order Pursuant to the Colorado Open Meetings Law and the City Charter, since three or more members of the Utilities Board may be attending this public meeting, it is noticed and open to the public. Pursuant to the Utilities Board Bylaws, this Committee of the Utilities Board will not accept public comments at this meeting.	Board Chair Donelson
9:05 a.m.	Acceptance of Minutes • Feb. 17, 2026, Working Committee Minutes	Committee
9:10 a.m.	Safety Moment: Housekeeping Safety	Nicholas Peters, Chief System Planning and Projects Officer
9:15 a.m.	Compliance Reports: • I-4 Risk Management – Office of the City Auditor's Report	Tristan Gearhart, Chief Planning and Finance Officer
	• I-8 Asset Protection	Tristan Gearhart, Chief Planning and Finance Officer
	• I-12 Environmental Stewardship	Lauren Swenson, Manager of Environmental Services
9:45 a.m.	Electric Cost Adjustment/Gas Cost Adjustment Filing	Scott Shirola, Pricing and Rates Manager
10:00 a.m.	2026 Legislative Session Update	Daniel Hodges, General Manager of Government Affairs
10:15 a.m.	2026 Plan of Finance Overview	Adam Hegstrom, Manager of Treasury and Finance
10:40 a.m.	North Slope Recreation Area Plan	Lisa Walters, Water Resource Planner III

11:00 a.m.	Drought Response Resolution	Abigail Ortega, General Manager of Infrastructure and Resource Planning Julia Gallucci, Water Conservation Supervisor
11:20 a.m.	Net Metering Survey Results	Leslie Smith, Supervisor of Customer Insights and Programs
12:00 p.m.	Adjournment	Board Chair Donelson

Minutes
February 17, 2026
Rosemont Conference Room or Microsoft Teams

Call to Order
Pursuant to the Colorado Open Meetings Law and the City Charter, since three or more members of the Utilities Board may be attending this public meeting, it is noticed and open to the public. Pursuant to the Utilities Board Bylaws, this Committee of the Utilities Board will not accept public comments at this meeting.

Board Chair Dave Donelson called the meeting to order at 9:03 a.m.

Present – Board Chair Dave Donelson, Board Member Tom Bailey, Board Member Kimberly Gold, Board Member Nancy Henjum, Board Member Roland Rainey (online) and Board Vice Chair Brandy Williams (online)

Excused – Board Member Lynette Crow-Iverson, Board Member David Leinweber and Board Member Brian Risley

Acceptance of the Jan. 20, 2026, Working Committee Minutes
Board Member Bailey made a motion to approve the January meeting minutes, and Board Member Gold seconded the motion. The motion passed unanimously.

Safety Moment: Heart Health Month
Mr. Tristan Gearhart, Chief Planning and Finance Officer, presented the safety moment as Heart Health Month.

The Board discussed the importance of regular exercise, a balanced diet, and regular physician visits to help mitigate the risk of heart attacks, keep blood pressure in check, and prevent heart disease.

Chief Executive Officer Update
Mr. Travas Deal, Chief Executive Officer, provided an update on Senate Bill 26-022 to the state legislature. Mr. Deal reminded the Board that Colorado Springs Utilities introduced a bipartisan bill to help keep the Ray Nixon Powerplant operational as Senate Bill 26-022 moves forward. There is support from elected officials in both the House and Senate to find a resolution. Mr. Deal noted that staff had actually planned to be at the capitol testifying today, however, that agenda item has been pushed out until likely sometime in March. While Mr. Deal stated that the overall goal of the Senate Bill moving forward is a good thing, Colorado Springs Utilities cannot do that at the expense of ratepayers who may already be struggling. He shared various ways customers can seek assistance with utility bills.

Mr. Deal shared that he has received questions from the community about the Trump Administrations' announcement about long-term coal contracts at military installations. Since they are already in our service territory, Mr. Deal was unclear about what those impacts would look like for both Colorado Springs Utilities and our military partners, however, there are multiple staff

members looking into this and more information will be provided at a later date.

Finally, Mr. Deal said that during the current five-year rate cycle that Colorado Springs Utilities just began, there will not be as many large capital projects as there will be sustainability projects. Mr. Deal is looking at a very detailed capital plan for 2030, and even further into 2035. Additionally, Colorado Springs Utilities is implementing a zero-based budgeting process that will provide for more diligent project planning and a better overall financial culture.

Board Member Henjum asked if Mr. Deal had any predictions on what can be expected from the various sectors of Colorado Springs Utilities with zero-based budgeting. Mr. Deal responded that with zero-based budgeting, employees start with some historical data, then look at prioritization of current needs to come to a final number. If it wasn't for our large projects, Mr. Deal stated that the budget has been maintained fairly flat. Not only will zero-based budgeting help maintain where we currently area, it will allow for more critical work to be completed while also reducing spending in areas that may not have as much of a need.

Compliance Reports

I-4 Risk Management

Mr. John Hunter, Planning and Financial Risk Manager, presented the I-4 Risk Management report. He shared details on the two main components to the I-4 report: the Utilities Risk Management Committee (RMC) and the Enterprise Risk Management Plan. The RMC, comprised of executive leadership and SMEs, meets monthly and maintains a Risk Registry that is reviewed as needed at meetings, and presented to the Board in a closed session. The RMC maintains the Enterprise Risk Management Plan, with three sub-plans focused on acute risks within distinct functional areas of the organization: Energy Risk Management Plan, Financial Risk Management Plan, and Investment Plan. All of these plans are current; however, they are being updated due to Colorado Springs Utilities joining the Southwest Power Pool (SPP) Regional Transmission Organization (RTO).

Board Member Henjum asked if the Board would receive a briefing about this along with the SPP RTO. Mr. Deal confirmed this would be a future briefing topic.

I-5 Economic Development

Mr. Daniel Norton, Customer Services General Manager, presented the I-5 Economic Development report. Mr. Norton explained the responsibilities of the Economic Development plan, I-5 Activity in 2025, the large load process, and the 2025 scorecard.

Board Member Henjum asked how completion is tracked. Mr. Norton said that the businesses that complete contracts are tracked, however, many of these announcements have yet to be built. Board Member Henjum asked if there is a way to show final results and the impact of the contracts. Mr. Deal responded that Colorado Springs Utilities can show who has followed through on incentives, however, it would be the City and Chamber and EDC who might be able to provide information on the number of jobs created. Board Member Bailey agreed with Board Member Henjum, saying it would be nice to have this information to close the loop on current projects, so staff know what kind of incentives to offer in the future.

I-13 Community Investment

Ms. April Speake, Public Affairs Supervisor, presented the I-13 Community Investment report. Ms. Speake provided statistics regarding community support through Colorado Springs Utilities' volunteer

efforts, education in the community, utility assistance, and communication methods.

Board Member Bailey asked if there are programs similar to Project COPE or discounted utility rates for small businesses and non-profits that provide support for the community, such as the Springs Rescue Mission. Mr. Deal responded that while there aren't direct discounts, Colorado Springs Utilities entered an agreement with Exponential Impact, where Utilities donated $100,000 for small business start-up and loan support.

Mr. Mike Francolino, Chief Customer and Enterprise Services Officer, added that a small business can reduce their utility bills through the various utilities rebate programs. Board Member Bailey noted that these are great services but felt that there is still a missing segment between large businesses and residential customers and asked if it's possible to fill that gap. Chair Donelson stated that likely the best way to help those in that gap would be to donate specifically to the non-profit or support entity, versus trying to give a special rate to them. Mr. Deal agreed with this statement and added that Colorado Springs Utilities also gives money to the City to set up utilities for low-income housing.

ECA/GCA update

Mr. Scott Shirola, Pricing and Rates Manager, reported on the Electric Cost Adjustment (ECA) and Gas Cost Adjustment (GCA) update. He stated that staff will be preparing to bring the ECA and GCA forward to next month's Utilities Board meeting, and then to City Council for filing. This month, however, Mr. Shirola provided the monitoring report and highlighted the forecast for natural gas prices based on the Jan. 1, 2026, timeframe.

Mr. Shirola also provided information on how Winter Storm Fern affected the natural gas market. December ended with an over collection of $15,000,000, so as the routine ECA and GCA filing happens, there will be decreases proposed. Mr. Gearhart pointed out the projected increase in October along with the decrease in April and said next month staff will provide information on the net effect of both, and if there is a way to skip the increased rates.

Additionally, Mr. Gearhart said that as Colorado Springs Utilities enters the RTO, there is potential for a great amount of volatility, so staff will be targeting a bit higher over the collected balance to make sure there is room for flexibility with market swings. Mr. Shirola said the last ECA and GCA rate filing was in July 2025 and has been extended into the first quarter of 2026. He said there is potential to do a 12-month filing for rates using the forecast in place. This reduction would also help to offset the impact of the Distribution Integrity Management Program (DIMP) cost to customers.

Board Member Henjum asked at what point staff have enough information to do a longer rate filing. Mr. Shirola replied that the forecast is updated monthly, though a bit more volatile during the heating season. As warmer weather approaches, it will be easier to forecast price. Mr. Deal added that if storage stays high during winter, the price is cheaper in the fall and winter.

Chair Donelson asked if Colorado Springs Utilities has options to purchase gas. Mr. Gearhart explained the different options that Utilities has, and the different buying and selling metrics. Mr. Deal said that it is always ideal to have more storage, and once the Tall Grass Facility is online, it will

provide that much-needed additional storage, which can deter some of the swings. Ahead of Winter Storm Fern, Colorado Springs Utilities was able to sell gas at a higher price than we purchased it for, knowing there wasn't capacity. Board Member Henjum asked who the gas was sold to, as it had to be physically distributed. Mr. Deal answered that it was sold to nearby markets.

Electric Large Load Rate Schedule
Mr. Shirola presented the Electric Large Load Rate Schedule. He stated that there was an administrative change to the Electric Large Grade Schedule. This schedule went into effect on January 1, 2026, and is designed to be cost effective and protect the rest of our customers from costs associated with the infrastructure or resources serving large types of loads. The change to the schedule is to support economic development by adding a sentence to the rate schedule that clarifies that the terms and provisions within this rate schedule do not prohibit utilities from entering into or executing special economic development contracts with selected customers. This is something that Utilities can already do under the Utilities Rules and Regulations (URRs) but wanted to clarify this in the rate schedule so that high value prospective customers are not steered away.

Board Member Henjum asked how we ensure that a special contract is paid at this rate and regular customers are not affected. Mr. Deal answered that these contracts are paid upfront for the infrastructure they need. With the large load, they are paying their current contract and then some so Colorado Springs Utilities can make sure they meet current and future needs.

Distribution Integrity Management Program (DIMP) Update for Rate Case
Mr. Shirola presented the Distribution Integrity Management Program (DIMP) update for the Rate Case. He shared details of the natural gas system acceleration plan, driven primarily by a federal consent agreement requiring the utility to remediate aging natural gas infrastructure quicker than originally planned. The funding for this accelerated program will be done through a temporary bill rider.

Mr. Shirola mentioned that Board Member Henjum had previously asked why this was not included in the five-year rate case. He said this was because of the timing of the five-year rate case and this agreement, as the rate case was filed in September of 2024 and approved in November of 2024, and this remediation was ordered by the Pipeline and Hazardous Materials Safety Administration (PHMSA) in October of 2024. The bill rider will help to bridge the gap and will be re-evaluated at the end of the five-year rate case to see whether the rider will continue as a separate item, or if it can be rolled into the base rates. There will be annual reporting to the Utilities Board, and the ability to adjust the rate annually.

Board Member Henjum asked when staff became aware of the need to replace the infrastructure. Mr. Deal responded that we have always been aware and had this item budgeted, however, it was spread over a longer period of time to keep rates lower. The only change to the process has been the condensing of the timeline. The program came into discussion around 2011, however there was not good record of what made up the infrastructure. Between 2011 and 2019, staff worked to inventory the system, worked with consultants and did spot checks to then enter the system into Geographic Information System (GIS) data.

Originally, this remediation would have taken almost 80 years to meet compliance, and PHMSA requested in be done in three to five years, which was not feasible, so an agreement was made to complete the work in 10 years. Board Member Henjum asked how common this type of work is.

Mr. Deal answered that this is one of the biggest areas of need across the country for municipalities that operate gas distribution systems. Board Member Henjum agreed with the necessity of the work and said she felt the messaging around this would be critical to make sure the community understands this additional rate.

Chair Donelson mentioned that this item will be presented at City Council with some alignment to the ECA/GCA rate filing, which would allow City Council to provide the message that while this additional line is on customers' bills, there is also going to be a natural gas reduction that may offset it. Mr. Shirola then presented an initial schedule and an alternate schedule to move this item forward to City Council, should the Board want to wait on the item pending changes to the City Code and Rules and Procedures of City Council regarding ex-parte communication about rate changes.

Mr. Shirola explained the two different timelines. Board Member Nancy Henjum agreed that this would be a positive way to message this. Vice Chair Williams also commented that the staggering of the ECA/GCA filing, the DIMP rider and net metering has been the desired timeline since the introduction of these items. Ms. Renee Congdon, Utilities Division Chief – Office of the City Attorney, stated that the City Council Rules and Procedures changes would not go into effect until March 24, 2026, essentially creating a two-week gap between this item and the ECA/GCA item where there could not be ex parte communications. The Board Members agreed that the March 10 City Council date would be the preferred City Council meeting to have this item presented.

Changes to City Code § 12.1.108 and the Rules and Procedures of City Council Regarding the Rate Changes Process

Ms. Congdon presented the Changes to City Code § 12.1.108 and the Rules and Procedures of City Council Regarding the Rate Changes Process. Ms. Congdon explained the changes to City Code and Council Rules and Procedures, and that the changes to City Code cover the timing process, such as when items must be filed and when hearings are set. She then explained that the changes to Council Rules and Procedures are what would lift the restrictions on ex parte communications. Ms. Congdon provided a timeline for when this item would be considered, and when communications can change.

Board Member Bailey asked why there is a written need to disclose discussions at meetings. Ms. Congdon explained that this change provides transparency and an opportunity to provide what may help guide an opinion. While Board Member Henjum said she agreed with Board Member Bailey's comments, she said this creates a procedural change that builds trust within the community.

Board Chair Donelson said he agreed with the change, but said that the Board Members should trust the opinion of the City Attorney's Office on this and if changes need to be made to the processes as they are outlined, then it could come back to the Board for more discussion in the future.

Utilities Policy Advisory Committee (UPAC) Assignment Discussion
Chair Donelson stated that at last month's Working Committee meeting, there was discussion among Board Members on the next Utilities Policy Advisory Committee (UPAC) assignment but there was no consensus on an assignment. Chair Donelson said his main concern was assigning something, just to give an assignment. He urged the Board to take their time in coming up with an assignment until there is a worthwhile option. As there were only five Board Members in the meeting at this time, Chair Donelson suggested holding off on an assignment.

Board Member Bailey said he understood the need to keep the UPAC engaged but did not want to assign busy work. He thanked fellow Board Member Henjum for providing a list of options last month, however he said none of the options presented rose to a level of interest he felt required an assignment.

Chair Donelson explained the need to define a policy question the Board would want to be advised on. Board Member Henjum provided the options, stating that one was suggested by a UPAC Member. Board Member Rainey said it might be worth looking into the suggestions from the UPAC Member more closely, however, he agreed that there shouldn't be an assignment this month. Board Member Henjum suggested talking to UPAC to ask for more ideas on what they would like to consider given their specific skill sets. Then, the Board could decide whether to accept the suggestions.

The Board decided to push making a decision on an assignment to next month's meeting. Chair Donelson said he would talk with the UPAC Chair ahead of the next meeting to see if they could come up with some topics together.

Adjournment
Chair Donelson adjourned the meeting at 11:28 a.m.

Housekeeping Safety

Identifying Common Workplace Hazards

Slips
Wet floors area major cause of workplace accidents.

Trips
Cluttered walkways can lead to potential falls.

Falls
Improper cord management can lead to same level falls.

Chemicals
Improper storage of flammable chemicals is a fire hazard.

Ergonomics
Incorrect storage can lead to incorrect lift techniques and injuries.

Equipment
Defective tools in the workplace are a safety risk.

Electricity
Power cords that are daisy-chained are an electrical hazard.

Fire
Blocked safety exits and equipment decrease an effective response.

Importance of Housekeeping in Safety and Health

01

Accident Prevention

Regular housekeeping activities lowers the risk of slips, trips and falls.

02

Improved Hygiene

Maintaining cleanliness minimizes the spread of germs creating a heathier work environment.

03

Enhance Productivity

A tidy workplace allows employees to find tools quickly, boosting operation efficiency.

04

Emergency Response

Good housekeeping allows for an effective response during evacuations or medical emergency.

Closing Thoughts

- Housekeeping is simple.
- Everyone can participate.
- It is proactive.
- It is effective.

Shawn Alessio
Audit Manager, CPA, CFE

26-02 Colorado Springs Utilities Policy I-4, Risk Management

March 2026

Purpose

The purpose of this high level review was to determine whether Colorado Springs Utilities complied with Utilities Board Instruction to the Chief Executive Officer, Policy I-4, Risk Management.

Highlights

Based on our review we conclude that Colorado Springs Utilities (Utilities) and the Chief Executive Officer (CEO) were in compliance with Utilities Board Instructions to the Chief Executive Officer, Policy I-4, Risk Management (I-4) for the calendar year 2025.

The Office of the City Auditor completed our review as directed by City Council acting in its capacity as the Utilities Board. Under the Excellence in Governance Policy Manual, Guidelines, Organizational Oversight (E-2.3), the Office of the City Auditor is required to monitor compliance with Policy I-4, Risk Management annually.

Policy I-4 states, "The Chief Executive Officer shall direct that the enterprise maintain enterprise risk management activities that identify, assess, and prudently manage a variety of risks including strategic, financial, operational, legal and hazard."

Under the I-4 Policy, the CEO is required to maintain a Risk Management Committee, operate under, and maintain an Enterprise Risk Management Plan to include Energy Risk Management, Investment, and Financial Risk Management Plans.

Our audit included a review of the Risk Management Committee materials and written policies required by I-4. We interviewed Utilities personnel responsible for administering policies. Per the I-4, Utilities prepared semi-annual reports on Board instruction compliance results. We verified the accuracy and reliability of statements made in the August 20, 2025 and February 18, 2026 reports.

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Date: March 18, 2026

To: Utilities Board

From: Travas Deal, Chief Executive Officer

Subject: **Excellence in Governance Compliance Report**
Asset Protection (I-8)

Desired Action: Monitoring

Compliance: The CEO reports compliance with the instructions

INSTRUCTIONS			
Category:	**Utilities Board Instructions to the Chief Executive Officer**	Reporting Timeframe:	**July 1, 2025-December 31, 2025**
Policy Title (Number):	**Asset Protection (I-8)**	Reviewing Committee:	**Working Committee**
Monitoring Type:	**Internal; City Auditor**	Monitoring Frequency:	**Semi-Annual; Annual**

The Chief Executive Officer shall direct that enterprise assets are protected, adequately maintained and not unnecessarily risked. Accordingly, the CEO shall:

1. *Protect enterprise assets including, but not limited to, water rights, real property interests, physical assets, cyber assets, intellectual property, records and information from loss or significant damage.*

   Plans and programs are in place that address and comply with the expectations of this policy to include, but are not limited to:

	Frequency of Update	Last Updated	Planning Horizon	Responsible Division
Cyber Security:				Customer and Enterprise Services
Cyber Security Incident Response Plan	Every 5 years	2024	5 years	No updates needed
Cyber Security Vulnerability Management Program	Every 3 years	2025	Ongoing	
Cyber Security (Risk Management) Framework	Every 3 years	2023	Ongoing	No updates needed
Security Operations:				Operations
Physical Security Program	5 years	2024	10 years	
Physical Security for Rampart Dam and Reservoir and Tesla Hydro Plant	1 year	2025	Ongoing	
Emergency Management:				Operations
Emergency Operations Plan	3 years	2025	Ongoing	
Dam Emergency Action Plans	1 year	2025	Ongoing	
Water Resource Recovery Facility Flood Emergency Evacuation Plans	1 year	2025	Ongoing	
Facilities Management:				System Planning and Projects
Facilities Master Plan	5 years	2021	10 years	
Facilities Maintenance Program	Annual	2024	10 years	
Records and Information Management:				Human Resources and Administration
Records Retention Program provides ongoing records compliance and disposition review and support	Ongoing	2023	3 years	
Water Resources Management:				System Planning and Projects
Reporting of water use in accordance with decrees, permits and agreements	Ongoing	Ongoing	Ongoing; updated as needed	
Watershed Management Plans	Ongoing; updated as needed	Ongoing	Ongoing; updated as needed	

2. *Allow real estate transactions that comply with the City of Colorado Springs Procedure Manual for the Acquisition and Disposition of Real Property Interests, Revised 2021.*

   Colorado Springs Utilities collaborates with the Real Estate Services Office to ensure compliance with all requirements of:

   - City of Colorado Springs Procedure Manual for the Acquisition and Disposition of Real Property Interests, Revised 2021 which was approved by City Council by Resolution 39-21 on March 23, 2021.

3. *Only sell, dispose of or allow use of assets at fair market value, except for de minimis contributions to community-oriented organizations.*

   Colorado Springs Utilities is in compliance with Colorado Springs City Code §1.5.205, which states that all sales of personal property which are obsolete and unusable shall, except as otherwise specifically provided in this part, be based whenever possible on competitive bids.

4. *Protect the enterprise's public image and reputation.*

   Colorado Springs Utilities strives to build and enhance the enterprise's public image through proactive communications, media relations, marketing communications and community relations. In 2025, the Public Affairs department has invested more resources into producing educational campaigns. The department used a variety of multimedia formats to reach customers to explain growth, rate comparisons and the importance of building our systems to continue supporting our community.

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I-8, Asset Protection

Tristan Gearhart

Chief Finance Officer

March 16, 2026

Protect Enterprise Assets

Colorado Springs Utilities has numerous plans and programs in place to ensure our assets are properly protected, responsibly maintained, and not exposed to unnecessary risk.

Acquisition and Disposition of Assets

- All real estate transactions comply with the City of Colorado Springs' Procedure Manual for the Acquisition and Disposition of Real Property Interests.
- Colorado Springs Utilities complies with requirements to sell, dispose of, or permit use of assets at fair market value, except for de minimis contributions to community-oriented organizations.
- Recent acquisitions or dispositions:
  - Acquisition of property for the Kelker to South Plant Transmission project (November 2025)
  - Acquisition of property for the Rock Island Substation Relocation project (December 2025)
  - Disposal of certain property from Old Twin Rocks Pump Station (December 2025)

Public Image and Reputation

Colorado Springs Utilities strengthens its public image through proactive communications and expanded educational campaigns that explain growth, rate comparisons, and the importance of system investment.


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Date: March 18, 2026

To: Utilities Board

From: Travas Deal, Chief Executive Officer

Subject: **Excellence in Governance Compliance Report**
Environmental Stewardship (I-12)

Desired Action: Monitoring

Compliance: The CEO reports compliance with the instructions except where noted with an asterisk (*).

INSTRUCTIONS			
Category:	**Utilities Board Instructions to the Chief Executive Officer**	Reporting Timeframe:	**January 1, 2025 – December 31, 2025**
Policy Title (Number):	**Environmental Stewardship (I-12)**	Reviewing Committee:	**Working Committee**
Monitoring Type:	**Internal**	Monitoring Frequency:	**Annual**

The Chief Executive Officer shall direct that Colorado Springs Utilities is a leader in environmental stewardship. Accordingly, the CEO shall:

1. *Provide customers with educational materials and solutions to promote energy and water conservation and renewable energy technologies.*

   In 2025, a total of 474 water and energy education classes, tours, community events, and webinars were held for youth and adults in the community. Colorado Springs Utilities shared educational materials to promote energy and water conservation with 18,577 customers through in-person classes, events, or tours and 6,713 streamed connections throughout the year.

   Nine water and energy rebate and retrofit programs were offered for residential customers (including net metered solar interconnections) and 11 rebate and retrofit programs for business customers. In partnership with the Energy Resource Center to reduce annual water and energy consumption, Colorado Springs Utilities helped retrofit 111 homes through the

Home Efficiency Assistance Program (HEAP).

In addition to the work under the HEAP program, Colorado Springs Utilities programs distributed or installed 633 efficient toilets, 486 showerheads, 1,024 faucet aerators, and 6,546 LED bulbs for customers and other non-profit enterprises. Irrigation rebate and retrofit programs distributed 11,339 high-efficiency sprinkler nozzles, 8,820 pressure-regulating sprinkler heads, 482 smart irrigation controllers, 27 flow sensors, and 28 rain sensors. Commercial landscape transformation programs converted nearly 470,000 square feet of high-water use turfgrass to low-water-use native grass, while residential programs converted more than 100,000 square feet. Colorado Springs Utilities provided indoor water use evaluations for 150 businesses, commercial irrigation evaluations covering nearly 4.8 million square feet of irrigated land, and high-water use notifications to nearly 1,184 business customers.

Customer rebates, direct-install, wholesale promotional, low-income efficiency water use evaluations, high water use and leak notifications, and renewable energy programs resulted in an estimated total commodity savings of 75 million gallons of water, 31,160 million cubic feet of natural gas, 12,494 megawatt hours (MWh) of electricity consumption, and 2.5 incremental megawatts (MW) of electricity demand. An additional 10.5 MW of actively controlled summer demand reduction was due to customers' enrollment of their smart thermostat in the Peak Energy Rewards demand response program. Water-wise Rules contributed nearly 3.7 million gallons of new annual water savings. Proactive potable water distribution system water loss control programs contributed an additional 25.6 million gallons of water savings.

In 2025, Colorado Springs Utilities expanded focus on natural gas decarbonization programs, in response to significant legislative mandates, electric resource mix changes, and significant changes in baseline equipment efficiencies. Outreach on these programs was expanded through in-depth educational classes for HVAC and insulation contractors.

In 2025, Colorado Springs Utilities continued to offer incentives for ENERGY STAR and cold-climate heat pumps and heat pump water heaters, both as direct-to customer rebates and through the Builder Incentive Program for installation in new homes. These provide efficient options for customers looking to decarbonize by electrifying their space and water heating needs. Additional rebate options were provided for ENERGY STAR gas boilers, combination boilers, and natural gas instantaneous water heaters. The Builder Incentive Program provided incentives directly to participating home builders for construction of 372 new homes meeting Energy Star certification requirements and 38 all electric homes, out of the 1,154 homes exceeding the minimum code standards. Within this program, Colorado Springs Utilities also provided rebates to builders for certain ENERGY STAR appliances.

The Commercial Building Efficiency Program provided energy audits to more than 4.8 million square feet of large commercial buildings to help building owners discover and prioritize energy efficiency, decarbonization, and money-saving measures and began to pay performance-based incentives for completed efficiency upgrades identified in the audits.

In 2025, Utilities expanded customer education on energy and water conservation and renewable programs. Through high-engagement email campaigns, more than 49 personalized site visits, large-scale event distribution (275+ contacts), and targeted sector outreach, Utilities provided customers with actionable materials, solutions, and guidance. Our efforts helped customers adopt conservation practices, pursue rebate programs, understand regulatory requirements, and overcome cost barriers—all supporting Springs Utilities' broader Environmental Stewardship and efficiency goals.

2. *Promote efficient energy and water consumption in new buildings and landscapes.*

   Colorado Springs Utilities encourages efficient new construction, landscaping, and retrofits and promotes energy and water efficient buildings and landscapes through its ongoing educational efforts, and through the Unified Development Code (UDC) update.

   The Mesa Conservation and Environmental Center (Center) entered its 22nd year of operation and continues to showcase demonstration programs to promote energy efficiency and water conservation. The Water Wise Demonstration Garden is considered one of the finest in the country. The Center received more than 2,600 visitors in the building in 2025 and thousands more visited the Garden without entering the building.

   The UDC update limits turfgrass installation in new homes and businesses to no more than 25% of the irrigatable landscape. This change influenced nearly 137 acres of irrigated commercial landscapes and approximately 1,000 homes, resulting in estimated annual water savings of more than 2.3 million gallons.

3. *Ensure emissions from operations meet or surpass air quality regulations.*

   Colorado Springs Utilities meets air quality expectations through a combination of effective operations and maintenance, pollution controls, fuel selection and use of renewable energy. Colorado Springs Utilities has a diverse portfolio of electric generating resources, including fossil fuel fired units, such as coal and natural gas, and renewables, such as hydroelectric, wind, and solar power. Between 2005 and 2025, annual emissions from Colorado Springs Utilities electric generating resources have been reduced by more than 96% for sulfur dioxide (SO_2), by more than 80% for nitrogen oxides (NO_x), and by more than 49% for carbon dioxide (CO_2). The current fleet of alternative-fuel vehicles includes four electric hybrid vehicles, 15 electric vehicles (EVs), 299 ethanol flex-fuel vehicles, and 42 compressed natural gas (CNG) vehicles.

4. *Ensure local ground and surface water discharges from operations meet or surpass surface water and groundwater quality standards.*

   Discharges from Colorado Springs Utilities operations are consistent with permit requirements through the operation of advanced wastewater treatment technology and the industrial pretreatment program to control pollutants in the wastewater treatment system. Colorado Springs Utilities' power plants are designed for zero discharge or to discharge water to the water resource recovery facility for treatment. The Las Vegas Street Water Resource Recovery Facility (LVSWRRF) has installed infrastructure and revised operational practices to meet permit limits for nutrients that became effective in 2020.

In 2025, the J.D. Phillips Water Resource Recovery Facility (JDPWRRF)'s pilot project to reduce nutrients was discontinued. The required pilot project report was submitted to the Colorado Department of Public Health and Environment (CDPHE) Water Quality Control Division in March 2025, and the Site Location Amendment Request was withdrawn. Instead, the JDPWRRF will seek to move forward with biological nutrient upgrades during 2026.

Work on the JDPWRRF Studies and Alternatives Analysis (SAA) continued in 2025. The SAA is expected to be completed during Q1 2026. There will be capital improvements that come out of the SAA to ensure that the JDPWRRF reliably meets current and future permit limits. The projected overall schedule has design/permitting from Q2 2026 to Q4 2027 with construction running from 2028 to 2030, depending on the alternatives Utilities selects.

Colorado Springs Utilities continues its participation in the CDPHE's Policy 17-1 Voluntary Incentive Program, which encourages reductions in total phosphorus and total inorganic nitrogen and should provide for additional compliance time for future nutrient criteria.

At Clear Spring Ranch, groundwater quality monitoring is regularly performed in association with the on-site placement of biosolids, coal combustion residuals, and water treatment residuals. The results are annually reported to the CDPHE.

** In June 2025, the JDPWRRF experienced a treatment issue that led to a total inorganic nitrogen annual median limit permit exceedance. In September and December 2025, the JDPWRRF experienced technical difficulties with its UV disinfection system. These difficulties did not result in an exceedance of the JDPWRRF E. coli permit limit.*

5. *Maintain or enhance the visual appeal of utility operations where cost effective.*

   The provision of utility services necessitates the operation of extensive and highly visible infrastructure such as power plants, water and wastewater treatment facilities, pump stations, power lines, electric substations, and work centers. The location and design of these facilities can dramatically impact the vistas of an area. The overall impact can often be diminished or blended with the surroundings to make them less obtrusive. Colorado Springs Utilities strives to receive input from the community on any facility built or externally remodeled, including the addition of recreational amenities on properties with Colorado Springs Utilities operations, such as watersheds.

6. *Ensure the community receives a portion of its electric needs from renewable sources.*

   Colorado Springs Utilities meets the Colorado Renewable Energy Standard, which obligates municipal utilities to obtain 10% of retail electricity from eligible energy resources. In 2025, 26.5% of Colorado Springs Utilities' overall generation mix (all energy produced or received to serve Colorado Springs Utilities' load and sales obligations) was generated from carbon-free resources. Colorado Springs Utilities' portfolio currently includes 290 MW of solar energy generation that supplied 14.7% of energy, 110 MW of hydro-electric generation that supplied 7.4% of energy, 60 MW of wind generation that supplied 4.4% of energy, and 100 MW of battery storage that supplied 0.8% of energy. These percentages describe Colorado Springs Utilities' generation portfolio and do not represent compliance with the Colorado Renewable Energy Standard or make any claim to the environmental attributes generated from the resources. Colorado Springs Utilities purchases and sells Renewable Energy

Certificates (RECs) from eligible energy resources to comply with the Colorado Renewable Energy Standard. The RECs generate revenue, helping reduce electric costs for our customers.

Colorado Springs Utilities brought 100MW of battery storage online at Fuller Substation in 2025.

7. *Strive to preserve and protect wildlife, wildlife habitat, and wetlands during construction and operation of facilities and infrastructure.*

   Pre-construction environmental review processes identify potential wildlife and wetland impacts, allowing for avoidance, minimization, and mitigation throughout the lifecycle of construction projects. Colorado Springs Utilities actively protects avian wildlife through its Avian Protection Program, which includes but is not limited to annual avian safety training for electric operations crews, pre-construction nest surveys, removals of inactive nests from active facilities as necessary, and retrofitting electric systems to protect avian wildlife from potential interactions with those systems. In 2025, Colorado Springs Utilities cleared a 13-year backlog consisting of 27 distribution pole retrofits to mitigate avian mortalities. It is a practice to retrieve injured or fledgling raptors that have fallen out of the nest within Colorado Springs Utilities' infrastructure and transport them to the Pueblo Raptor Center for rehabilitation and release back to the wild when possible. Colorado Springs Utilities collaborates with the local community and wildlife organizations to conduct annual bird surveys and bird-banding on our properties to gather data on bird populations, habitat status, and migration patterns.

   Noxious weeds are identified and controlled in compliance with the Colorado Noxious Weed Act on local and remote properties to promote healthier native ecosystems that support wildlife. Vegetation restoration processes are implemented on construction projects to establish native and desirable vegetation species and minimize noxious weed establishment in disturbed areas.

   Colorado Springs Utilities partners with Colorado Parks and Wildlife (CPW) as needed to relocate orphaned bear cubs onto remote watershed properties as well as salvage activities in our reservoirs. Additionally, in 2025, Colorado Springs Utilities assisted CPW in removing cutthroat trout from Mason Reservoir for relocation to other suitable reservoirs in the region.

8. *Strive to preserve and protect cultural and historic sites during construction and operation of facilities and infrastructure.*

   Colorado Springs Utilities conducts cultural and historical research and surveys as part of property acquisitions and construction projects to ensure important resources are identified and preserved. Any significant cultural resources encountered during a project, including buildings or structures older than 50 years and artifacts are evaluated by professional archaeologists to ensure the preservation of these cultural resources as required. Forest management activities on watershed properties are conducted in a manner that ensures protection of on-site cultural resources.

In 2025, Colorado Springs Utilities conducted cultural resource surveys associated with watershed wildland fire mitigation work, Rosemont pipeline, and the Wastewater System Expansion project to ensure protection of identified Native American cultural resources and historic resources.

9. *Engage the community in Utilities Board decisions on Colorado Springs Utilities' operations that affect the environment.*

   Community education and outreach programs convey the value of our services and promote utility efficiency and safety. In 2025, staff presented numerous water, energy, and safety programs to student and adult audiences. Messaging revolved around safe and efficient use of utility services. Methodology included community event booths, facility and stakeholder tours, adult presentations, teacher workshops, student programs, landscape classes and webinars, public meetings and town halls. In total, 31,276 customer connections were made, and 563 events were attended.

   A total of 71 Raptor Protection Program presentations were made at 37 unique organizations reaching 3,362 individuals to teach the community about powerline protection for birds, and our environmental stewardship efforts around utility services.

10. *Strive to minimize or reuse waste generated by Colorado Springs Utilities to reduce impact on the environment.*

    In 2025, Colorado Springs Utilities' e-waste recycling program sent 7 tons of electronic waste components and 19,974 mercury-containing lamps to be recycled; 8,525 gallons of used oil, 584 gallons of antifreeze, and over 515 tons of steel, aluminum, copper, brass, iron, and tin was recycled; 42,774 tons of fly ash was beneficially re-used for liquid waste solidification; 10,993 tons of bottom ash was sold for cement; and nearly 75,540 tons of construction debris (including over 11,084 tons of asphalt and 20,620 tons of concrete removed from job excavation activities) was accepted for recycling at the Sand Creek Recycling Center. After separation, the soil is re-used locally as construction fill; and the asphalt and concrete are crushed and re-used locally.

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I-12, Environmental Stewardship

March 16, 2026

Lauren Swenson

Environmental Services

Environmental Stewardship (I-12) 2025 Compliance Report

- Highlight Springs Utilities as a leader in environmental stewardship
- Ten compliance expectations:
  - Maintain or enhance the visual appeal of utility operations where cost effective (#5)
  - Ensure the community receives a portion of its electric needs from renewable sources (#6)
  - Engage the community in UB decisions on Utilities' operations affecting the community (#9)

Customer Programs & Resource Efficiency

Community Engagement and Education

- 474 water and energy education classes, tours, events, & webinars
- 18,577 customers engaged in person; 6,713 via streamed connections
- 31,276 total customer connections through outreach and programs

Efficiency Programs & Savings

- 9 residential and 11 business rebate/retrofit programs offered
- 111 homes retrofitted through the Home Efficiency Assistance Program (HEAP)

Savings Achieved:

- 75 million gallons of water
- 31,160 million cubic feet natural gas
- 12,494 MWh electricity
- 10.5 MW summer peak demand reduction

Environmental Protection and Compliance

Water Quality & Treatment

- Comply with permit requirements using advanced treatment and pretreatment program
- J.D. Phillips Water Resource Recovery Facility: one TIN exceedance; two UV system technical issues
- J.D. Phillips Water Resource Recovery Facility Studies/Alternatives Analysis progressing for nutrient upgrades (design 2026-2027, construction 2028-2030)

Waste Minimization & Beneficial Reuse

- ~75,540 tons of construction debris recycled
- 42,774 tons of fly ash reused; 10,993 tons of bottom ash sold for cement
- E-waste, oil, antifreeze, and metals recycled through established programs

Air Quality & Emissions

- Long term reductions since 2005:
  - SO2 ↓ 96%
  - NOx ↓ 80%
  - CO2 ↓ 49%
- 2025 generation portfolio included 26.5% carbon-free resources

Land, Wildlife, Cultural Resources, & Community Engagement

Habitat and Wildlife Protection

- Completed 13-year backlog of 27 avian protection pole retrofits
- Ongoing bird surveys, banding, habitat restoration, and noxious weed management

Cultural & Historic Resource Protection

- Cultural resource surveys completed for watershed mitigation, Rosemont pipeline, and Wastewater System Expansion projects

Community Outreach

- 563 events including presentations, tours and workshops
- 71 Raptor Protection Program presentations delivered to 37 organizations


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2026 Plan of Finance

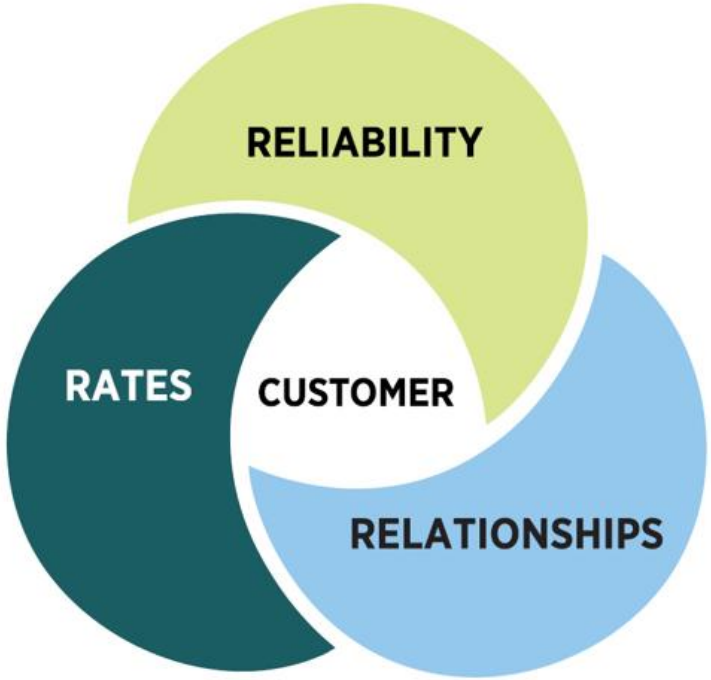
Adam Hegstrom
Treasury and Finance Manager
March 16, 2026

Plan of Finance Overview

The Plan of Finance is an annual strategic effort to effectively obtain and manage debt obligations to support Colorado Springs Utilities' ("The Utilities") capital needs

Collectively executed by:

- Utilities leadership
- Planning and Finance staff
- Key advisors
  - Financial advisor
  - Bond counsel
- Key banking partners and counterparties



Core Tenets: **Prudence - Efficiency - Flexibility**

Plan of Finance Overview

Plan of Finance efforts are dedicated towards four key objectives:

1. Fund the debt-backed portion of The Utilities' upcoming capital plan
2. Manage and optimize The Utilities' current debt portfolio
3. Procure and manage debt-supporting instruments and ancillary services
4. Manage The Utilities' financial reputation and industry relationships to ensure market access

Presentation is a high-level overview for information purposes

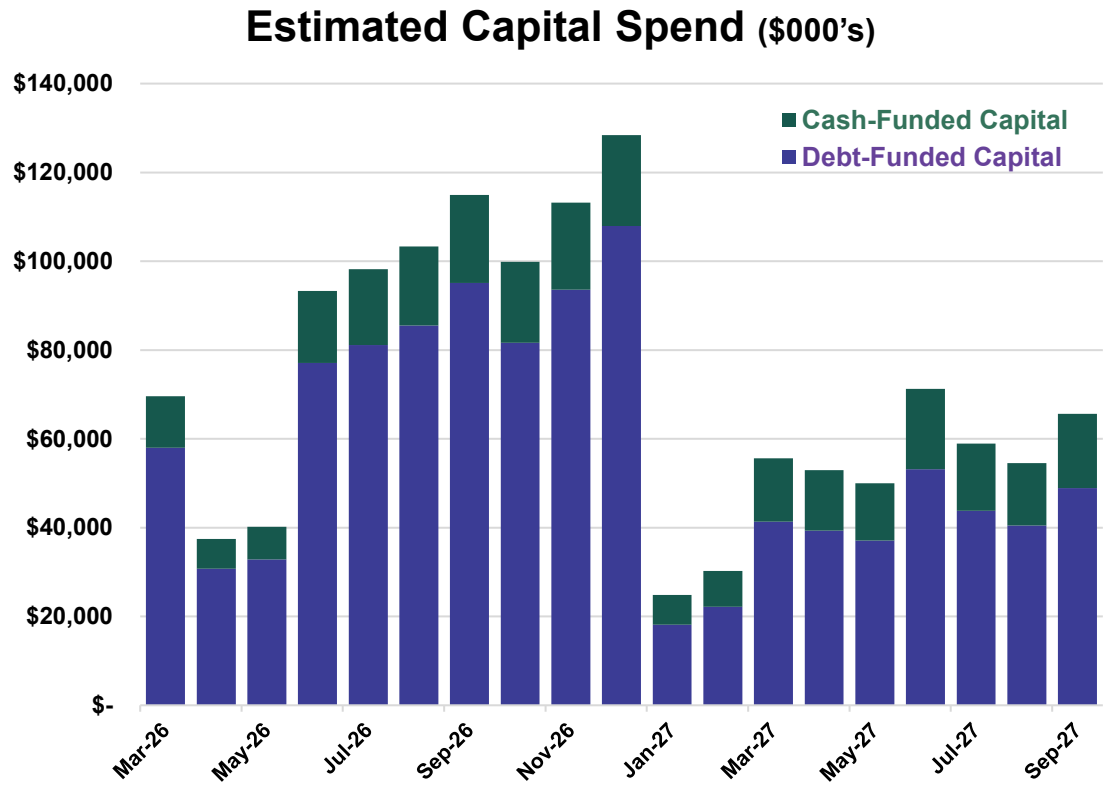
- Action items to be presented for decision, and with greater detail, at later dates throughout 2026

Plan of Finance Objectives

Objective 1: Support The Utilities' operations by funding the debt-backed portion of the Enterprise's future capital plan ("New Money Issuances")

- Traditional financing cycle runs from September to September
- $470 million remaining from the 2025A bond issuance
- Up to ~$750 million bond issue may be needed to fund 2026/2027 capital needs
- Reimbursement resolution will provide flexibility in capital reimbursement

Totals over Financing Period	Amount	% of Total
Revenue-Funded Capital	$274,252	20%
Debt-Funded Capital	$1,088,104	80%
Total Capital Spend	$1,362,356	



Source: CSU 1+11 2026 STF

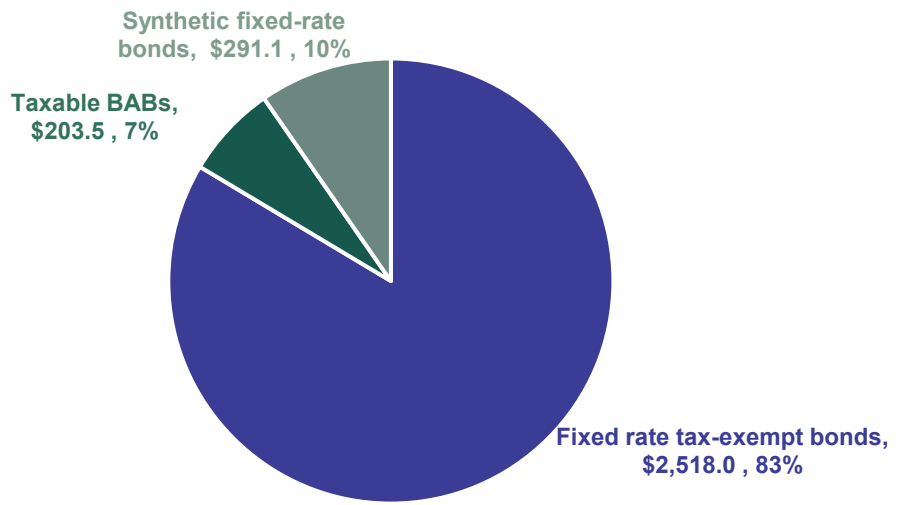
Plan of Finance Objectives

Objective 2: Manage and optimize The Utilities' current debt portfolio

Refunding Opportunities

- The current debt portfolio is monitored for savings opportunities when available
- July 2025 ordinance authorized Build America Bonds ("BABs") refunding in favorable market conditions, within set parameters

Current Debt Portfolio (millions)



Potential Market Actions:

1. Refund BABs – refunding of outstanding taxable BABs and refinance with traditional fixed rate tax-exempt bonds (market-dependent)
2. Refund Variable Rate Demand Obligation bonds ("VRDOs") + Terminate Swap(s) – unwind synthetically fixed debt issuances and refinance into traditional fixed rate debt (unlikely)

Debt Issuance Working Timetable (Tentative)

Event:	Date:
Reimbursement Resolution Presentation to Working Committee	April 20,2026
Reimbursement Resolution Presentation to Utilities Board	May 20, 2026
Reimbursement Resolution Reading and Vote at City Council	June 9, 2026
Bond Issuance Presentation to Working Committee	July 20, 2026
Bond Issuance Presentation to Utilities Board	August 19, 2026
1st Reading of Ordinance at City Council	August 25, 2026
2nd Reading of Ordinance and Vote at City Council	September 8, 2026
Anticipated Issuance Pricing	Week of Sept. 21, 2026
Anticipated Issuance Closing Date	Week of Oct.12, 2026

Dates are tentative, subject to change.

Plan of Finance Objectives:

Objective 3: Successfully manage debt-supporting instruments and services

Liquidity Agreements:

- $291.1 million in variable rate debt (all hedged)
- Longer term bonds with weekly interest reset
- Remarketing agents set interest rates
- Liquidity providers backstop the bonds if no buyers
- One facility expires in September 2026
    - Anticipate renewal of existing agreement (no ordinance required)

Plan of Finance Objectives:

Objective 3: Successfully manage debt-supporting instruments and services

Other or past items not requiring major action in the 2026 Plan of Finance

- Swaps – Anticipate the swap portfolio will continue to perform as expected
- VRDO Remarketers – No anticipated changes or modifications
- Public Authority for Colorado Energy – Anticipate normal/routine operations in 2026

Plan of Finance Objectives:

Objective 4: Manage The Utilities' financial reputation and industry relationships to ensure market access

Primary focus areas:

1. **Maintain strong banking relationships to help Utilities' financing plans**

   Actions:
   - Utilities will select underwriters from the pool this spring for the 2026A bond issuance

2. **Maintain strong investor relationships**

   Actions:
   - Plans to present at the March 2026 JPMorgan Investor Conference

Plan of Finance Objectives:

Objective 4: Manage The Utilities' financial reputation and industry relationships to ensure market access

3. **Maintain strong relationships with rating agencies**
   - Moody's = Aa2 / Stable Outlook
   - Standard & Poor's = AA+ / Stable Outlook
   - Fitch Ratings= AA / Stable Outlook

Credit Rating Agency Events:	Tentative Date:
Credit Presentation Preparation	April – July 2026
Moody's Site Visit *(tentative)*	May 2026
Credit Rating Agency Presentations	August 2026
Submit 2026A Ratings Requests	August 2026
Receive 2026A Issuer Credit Ratings	August 2026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North Slope Recreation Area Draft Plan Review

Lisa Walters, Source Water Protection RM

Monday, March 16, 2026

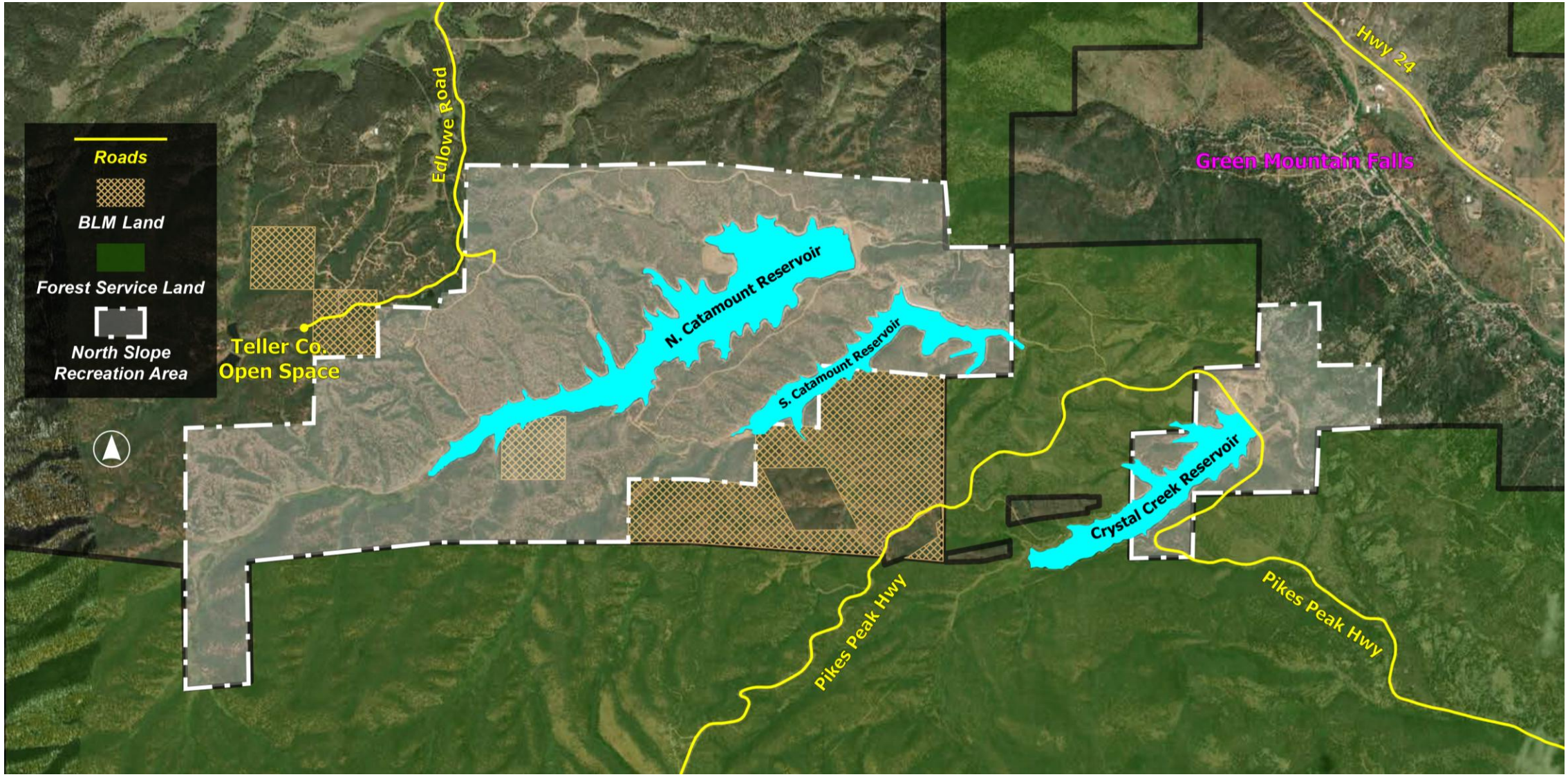
Agenda

- Current Recreation and Policies
- Study Overview
- Givens, Process and Status
- Summary Public Engagement
- Plan Recommendations
- Q&A

Current Recreation and Policies

- Recreational uses within the NSRA are managed by Pikes Peak America's Mountain, an enterprise of the City of Colorado Springs.
- Recreation uses include:
  - Fishing
  - Non-motorized boating
  - Hiking
  - Non-motorized mountain biking
- Open May 1 – Mid October
- The forested areas surrounding the NSRA are managed by U.S. Forest Service and Teller County.
- Commercial guided recreation has not been authorized for the North Slope Recreation Area.

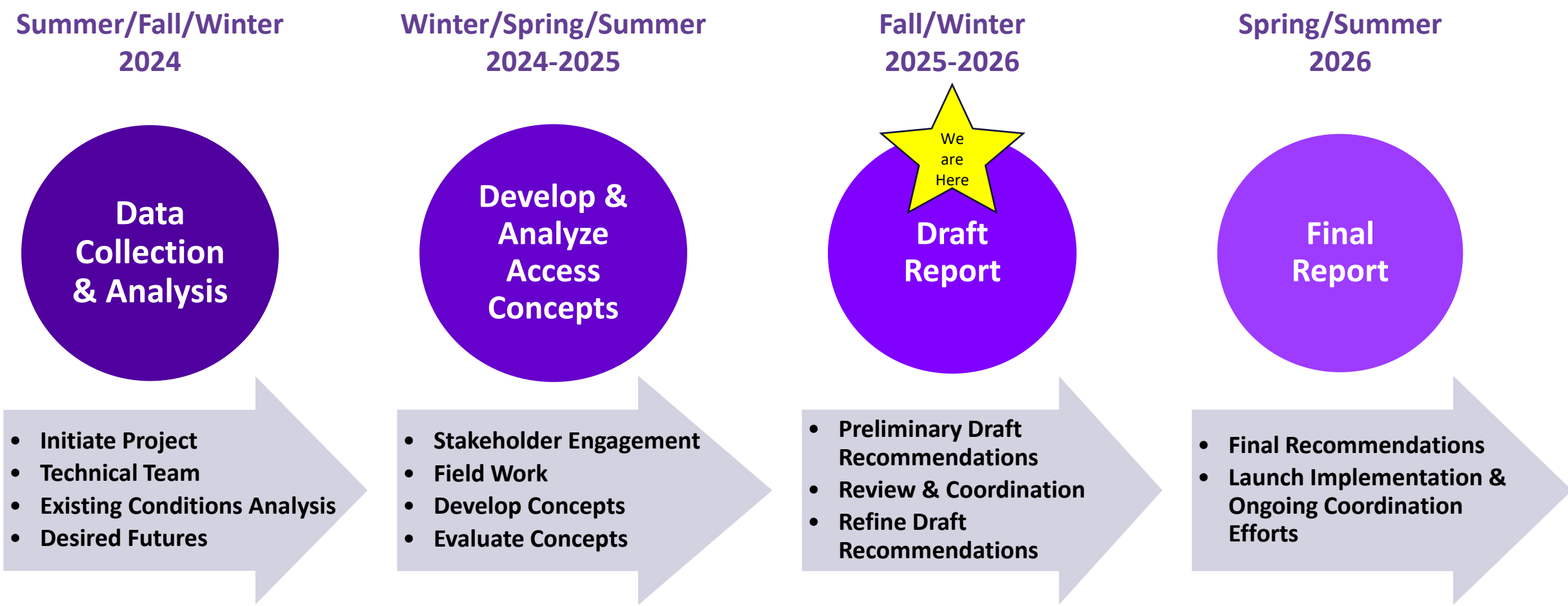
Study Overview – North Slope Recreation Area



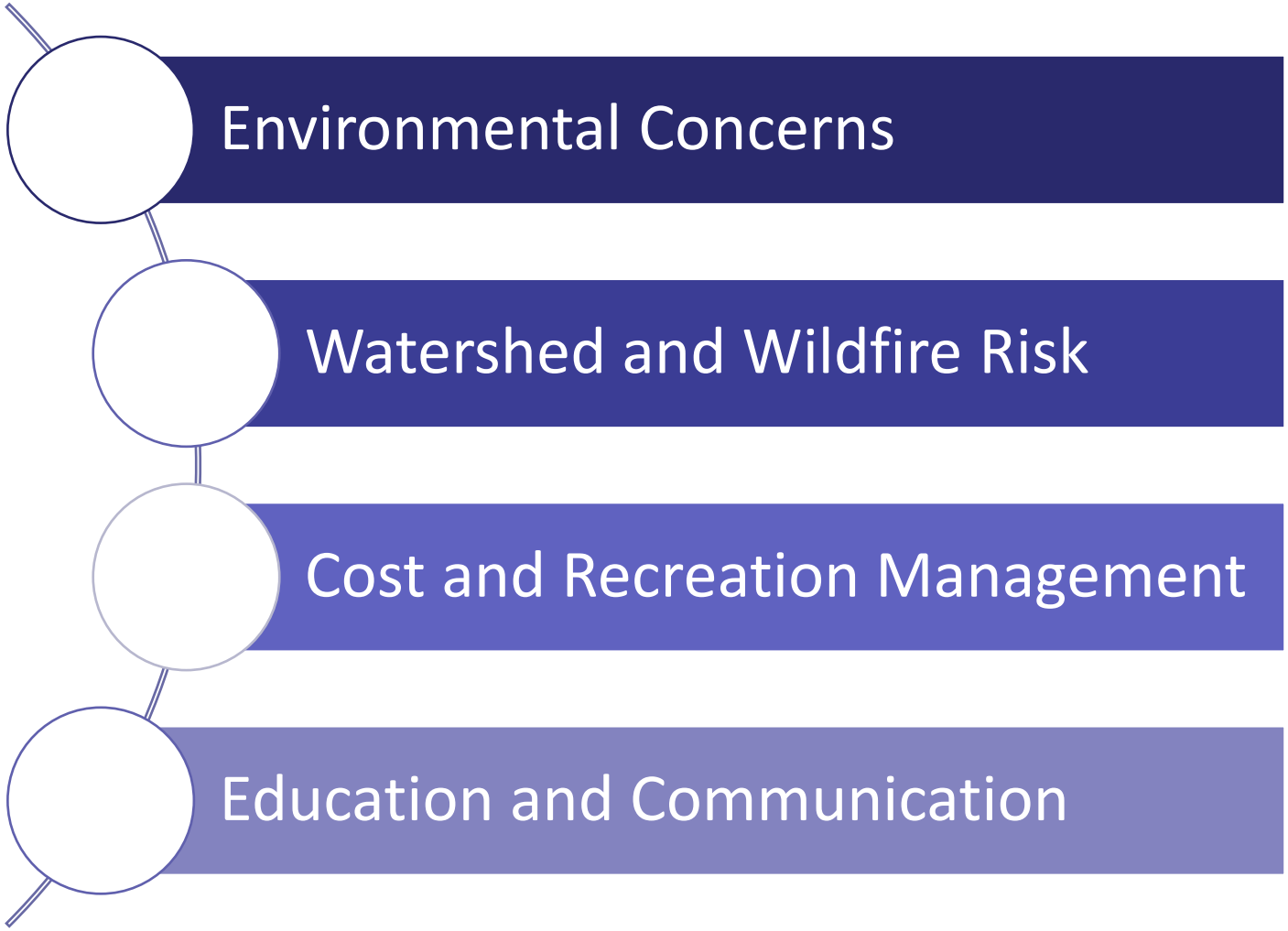
Givens

- Enhance security and strengthen protection of critical drinking water assets.
- Ensure public, staff, and infrastructure safety through clear rules and procedures.
- Accommodate recreation that is compatible with our mission and is financially and environmentally sustainable.
- Ensure resources for the sustainable management of the NSRA now and into the future.

Process & Status



Summary of Public Engagement



Key Takeaways – Customer Counts Survey

Customers Prefer Protecting Water Supply And Operations

Environmental Protection And Water Quality Top Objectives

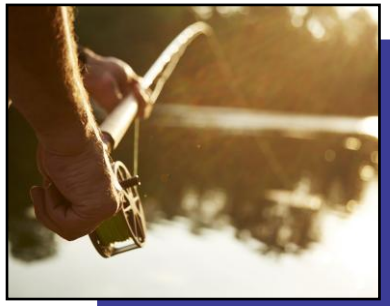
Belief That Those Who Recreate at North Slope Recreation Area Should Pay For Increased Costs

Customers Favor Revenue Generation Strategies and Increased Fees Over Recreation Limitations

Key Takeaways – Recreational Visitor Survey

Recreators support dual mission of protection and recreation.

Recreators expect management of amenities, crowding and ecological impacts, and user-based cost recovery mechanisms.

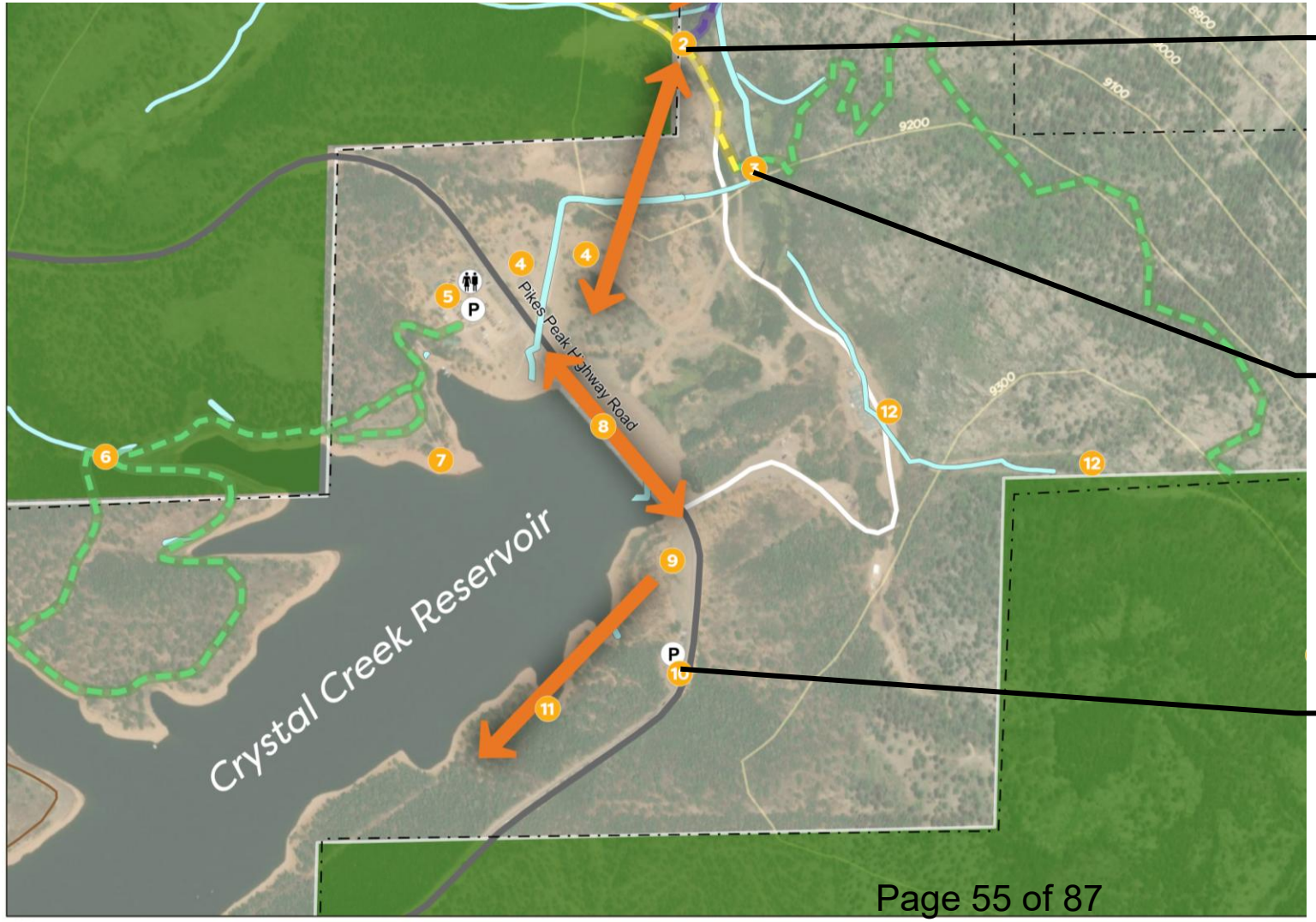


Management should strengthen infrastructure around hiking and fishing, improve targeted amenities, and establish sustainable funding.

Adopt monitoring tools and adaptive strategies to respond to recreation pressures for ecosystem protection.

Recommendations
Trail Alignments and Watershed Access

Mount Esther- Proposed Concepts Map

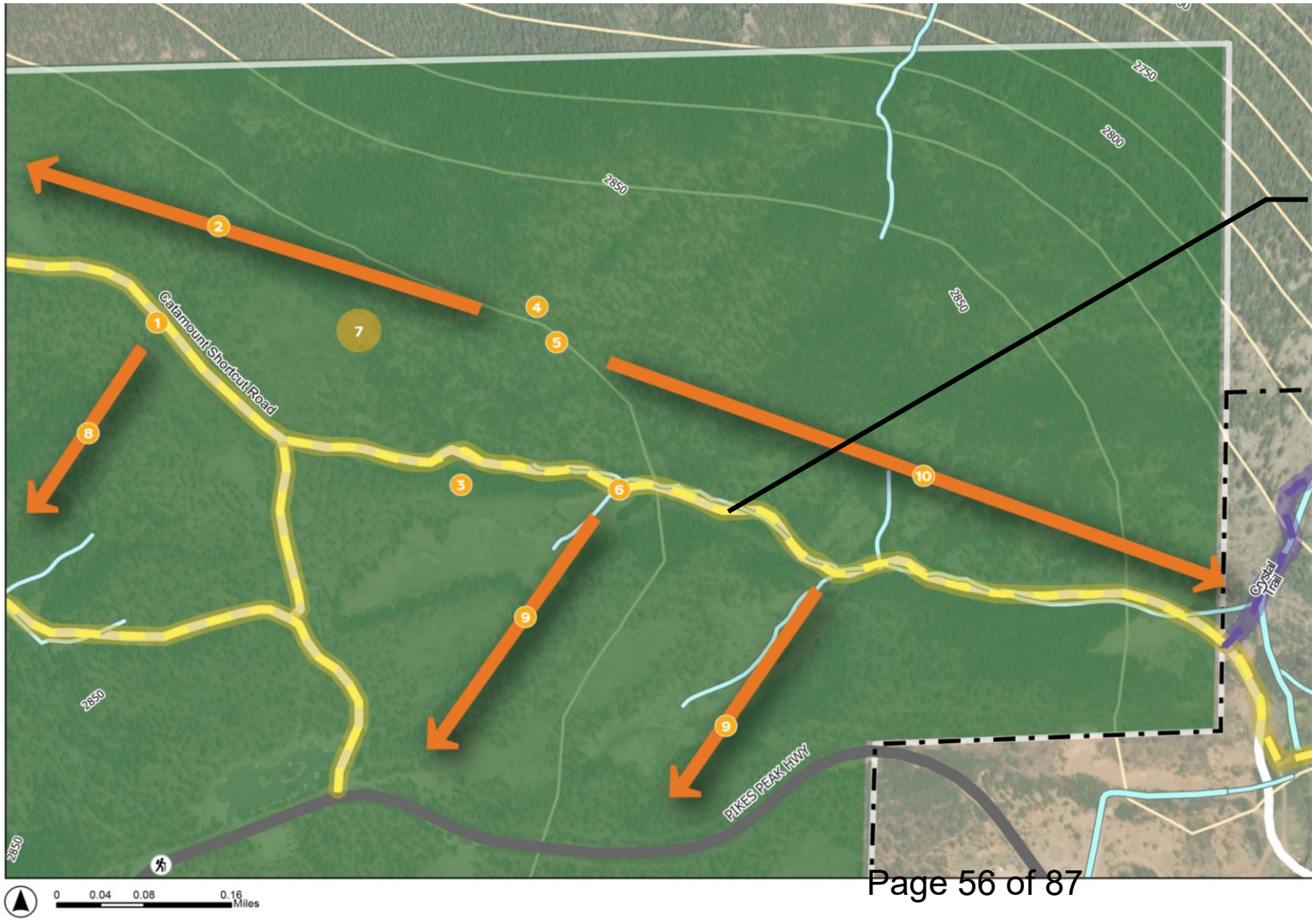


Eliminate trail use on Utilities service road and establish alternative route(s) to the Catamount Reservoirs

Formalize Mount Esther Trail, provide stream crossing, connect new trail to Crystal Creek Visitor Center

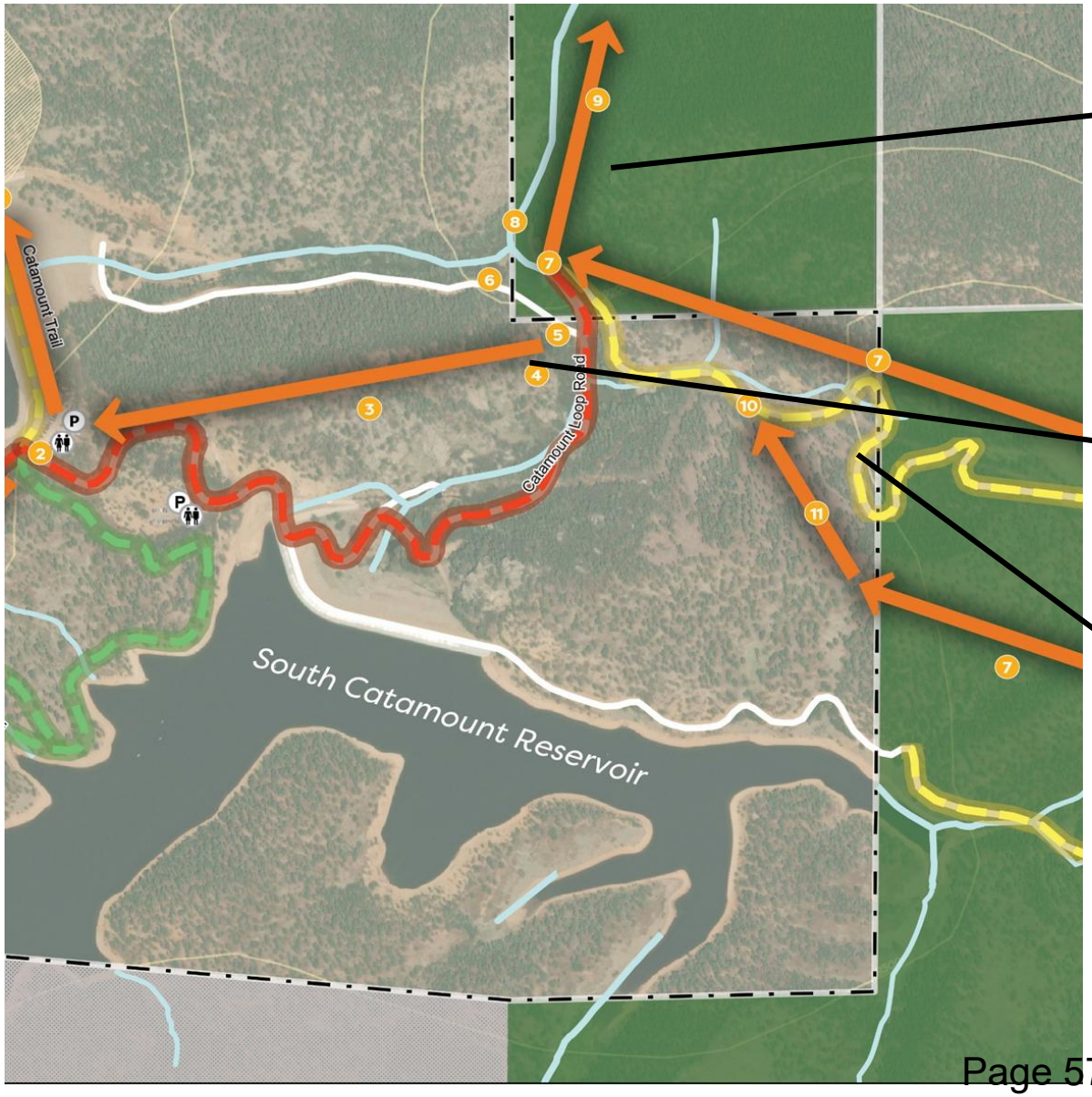
Provide designated crossing on Crystal Reservoir Dam from overlook parking lot to Crystal Creek Visitor Center

Shortcut Road- Proposed Concepts Map



Engage USFS for future planning and alternatives to eliminate trail use on Utilities service road and establish alternative route(s) to the Catamount Reservoirs

Catamounts- Proposed Concepts Map

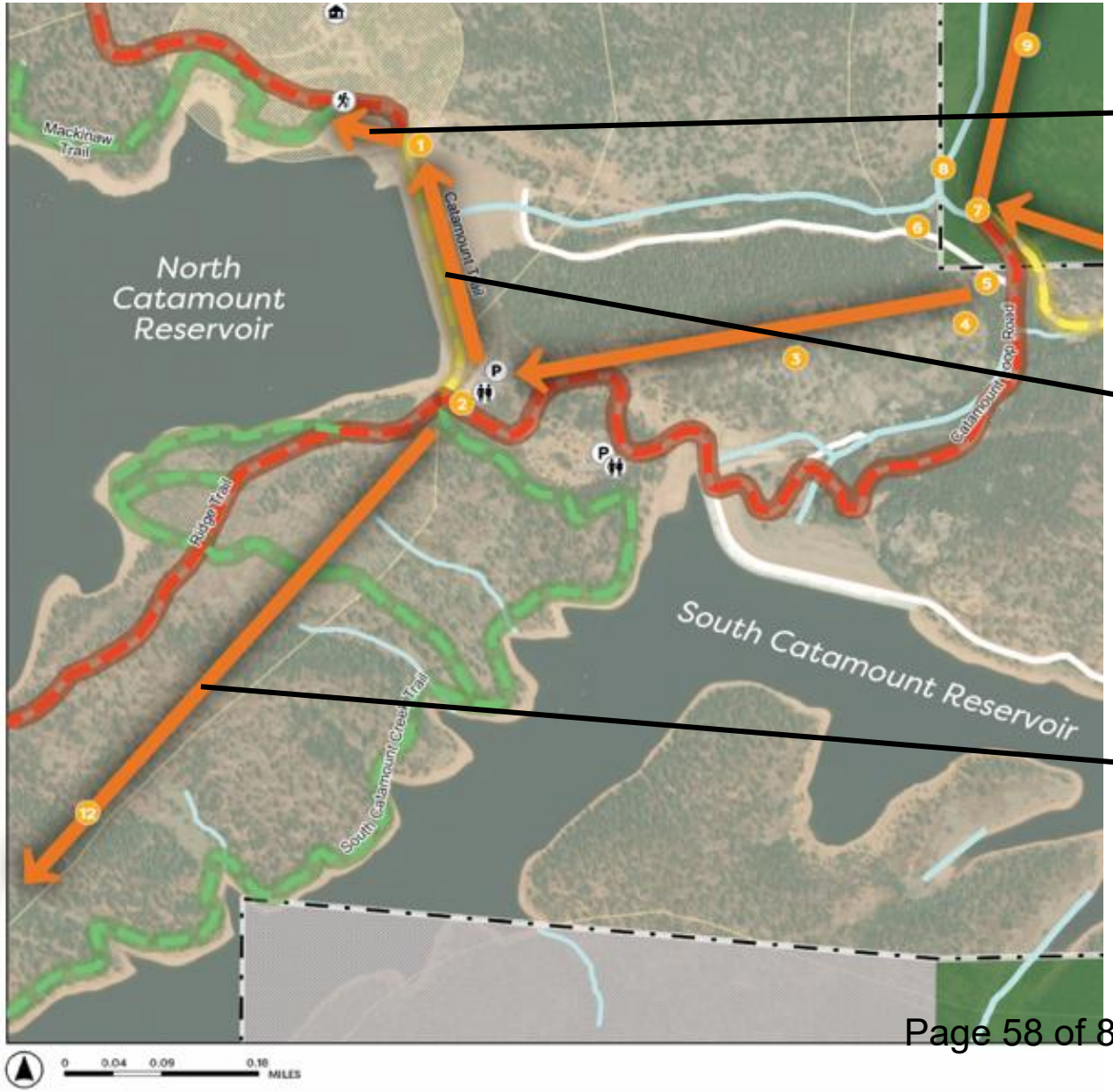


Engage USFS for future planning and alternatives to eliminate trail use on Utilities service road and establish alternative route(s) to the Catamount Reservoirs

Eliminate trail use on Utilities service road and establish alternative route across contour from hairpin turn to North Catamount parking area

Eliminate trail use on Utilities service road and establish alternative route

North Catamount Dam- Proposed Concepts Map

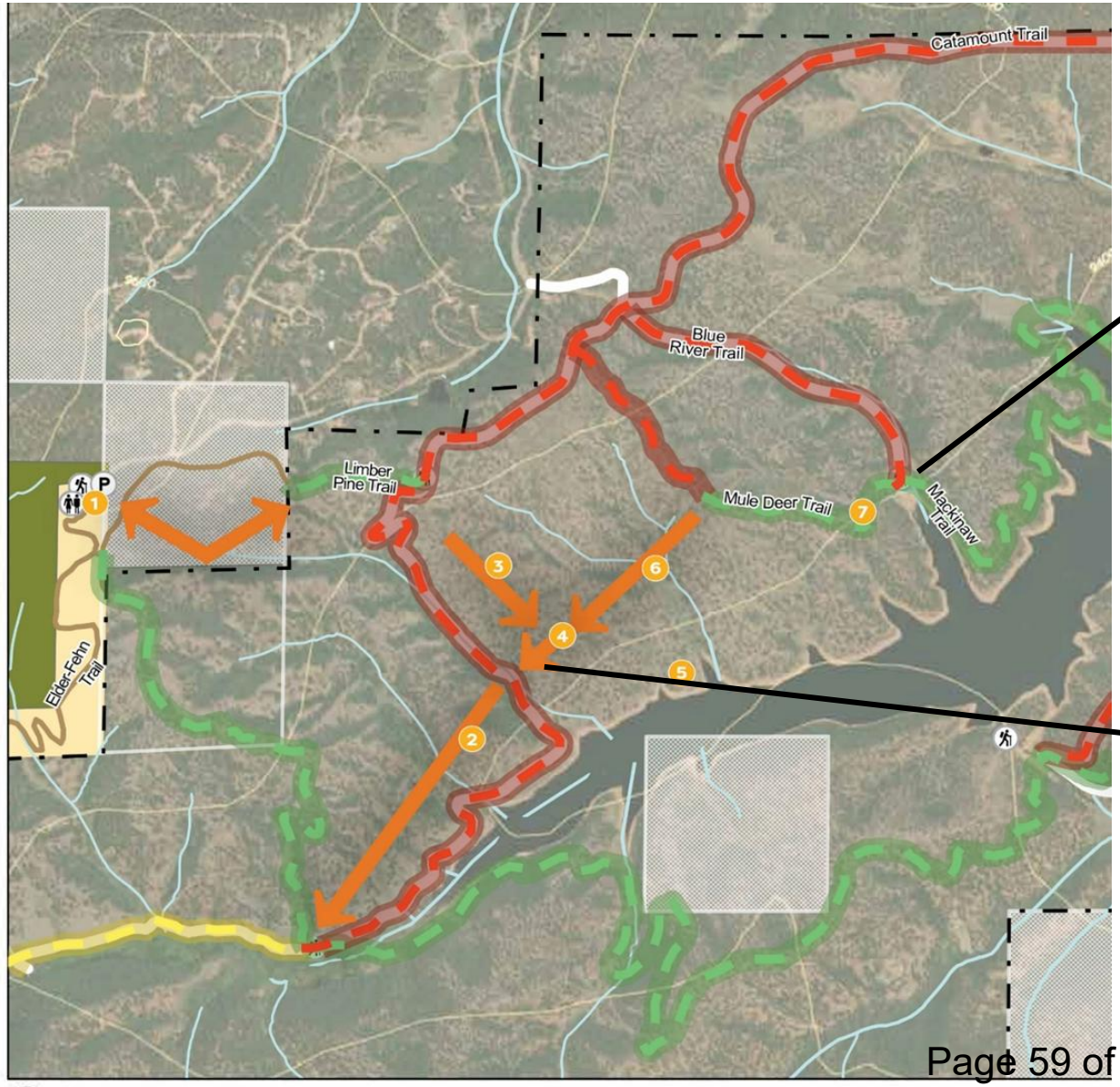


Eliminate trail use on Utilities service road by routing all trail traffic to Mackinaw trail

Formalize trail access from North Catamount parking area across North Catamount Dam to Mackinaw trail

Eliminate trail use on Utilities service road and establish alternative route

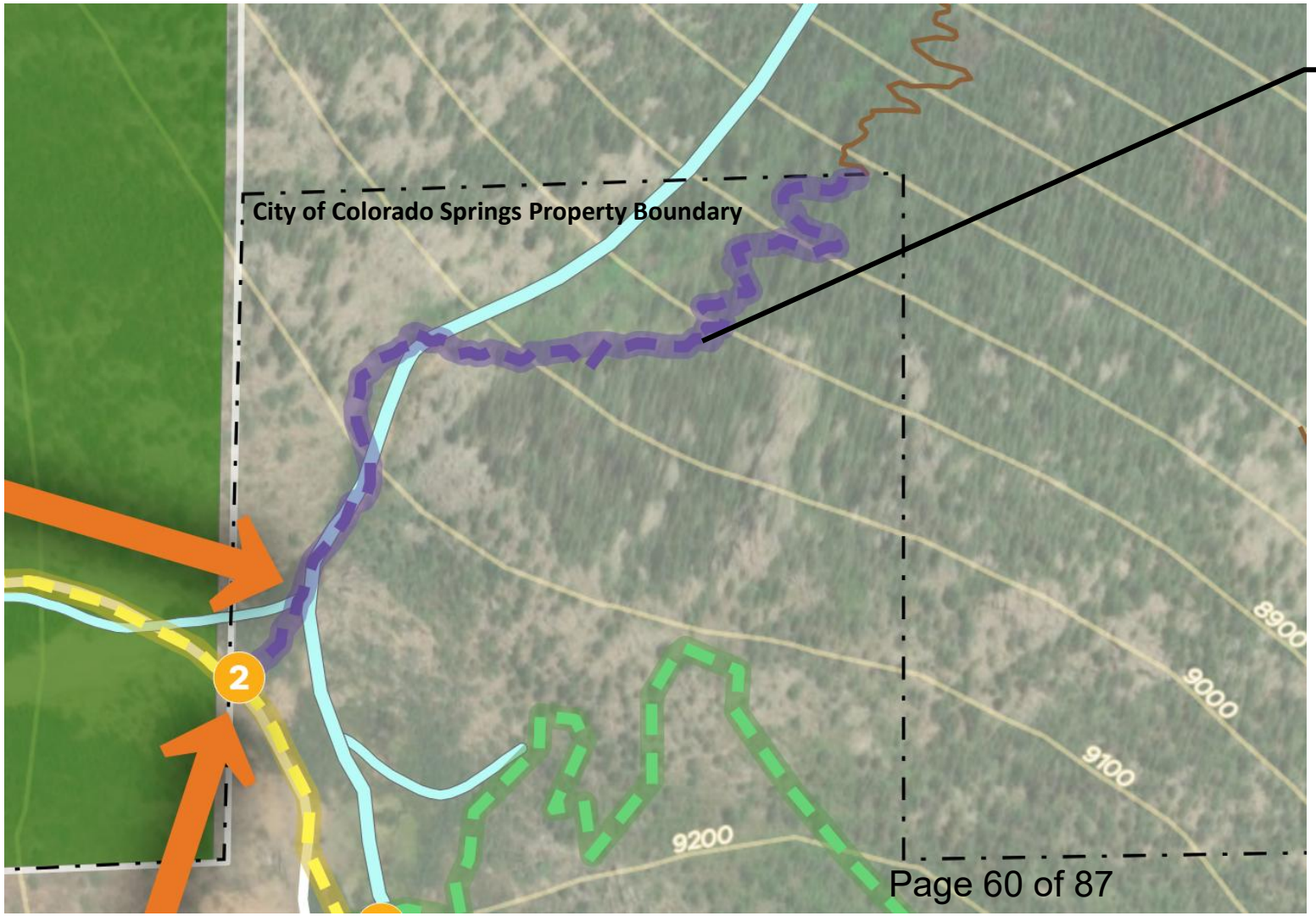
Mackinaw Trail- Proposed Concepts Map



Eliminate trail use on Utilities service road by routing all trail traffic to Mackinaw trail

Establish new trail access from Mackinaw trail to connect between Teller County Open Space trailhead and Limber Pine trail

Crystal Trail- Proposed Concepts Map



Address safety and access concerns by decommissioning social trail on Crystal Creek until suitable alternative is designed and constructed

Other Plan Recommendations

Safety and Watershed Protection

- Improve safety, sustainability, and the overall visitor experience while maintaining critical watershed infrastructure, operations and natural resources.
- The NSRA plan is intended to serve as a guiding framework to adaptively manage implementation.
- Recommended improvements are expected to be pursued incrementally and phased over time as funding, staffing, permitting, and interagency coordination allow.

New Uses: Commercial Guided Recreation

- Assessed based on City Code Provision 12.4.804 - “legally allowable and consistent with maintenance of proper health, safety, fire protection and conservation standards.”
- Plan recommendation for 1-year pilot with limited commercial uses.
- Identified important Best Management Practices for a sustainable program.
- Identified Adaptive Management cycle to ensure Utilities and Managing Partner address issues and improve overall management.
- Commercially Guided Recreation would be approved by City Council.

Next Steps

March 6	Board Memo and public comment through March 31
March 16	Utilities Board Working Committee
April 22	Utilities Board Meeting Plan presentation
April 28	Resolution to City Council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Net Metering Survey Results

March 16, 2026

Sampling Considerations

Quantitative

Random sampling methodology used

- Residential results align with customer population demographics
- Confidence level = 95%

Qualitative

Random sampling methodology not used

- Open survey results do not align with customer population demographics
- Open respondents self-selected
- Some IP addresses were recorded taking both survey paths

Solar Rates Community Outreach

Solar Customers	Non-Solar Customers	Open – Solar Customers	Open – Non-Solar Customers
n=827	n=453	n=275	n=107
Margin of Error ± 3.18%	Margin of Error ± 4.6%	Voluntary Response Bias	Voluntary Response Bias

Key Insights

Rate Design Concepts Are Not Well Understood

What customers are telling us

- Customers do not understand what a **demand charge** is or how it is calculated.
- What goes into the utilities' **"cost to serve"** model is unclear to most customers.

Why this matters

- When customers don't understand how rates work, they are less likely to view changes as fair or justified.
- Lack of understanding increases skepticism and resistance, especially when bills increase.

Trust Gap Exists Around the "Cost Shift" Narrative

What customers are telling us

- Solar customers do not believe a **cost shift** exists and perceive it as something created by utilities.
- Non-solar customers are largely **unaware of prior net metering discussions**.

Why this matters

- There is a disconnect between utilities rationale and customer perception.
- Without shared understanding, rate changes risk being seen as credibility issues rather than policy decisions.

Key Insights

Customers Are Open to Market-Based Pricing – If it is explained

What customers are telling us

- There is general agreement with a rate structure that uses **market-based prices** for credits and billing.
- Non-solar customers are not willing to support residential solar through rates.

Why this matters

- Customers are not inherently opposed to change.
- Acceptance increases when pricing logic feels transparent, objective, and grounded in external market forces.

Solar Adoption Is Financially Constrained for Many Customers

What customers are telling us

- **40% of solar customers** still have 10+ years remaining on their system loans.
- Only **15% have fully paid off** their systems.
- The upfront and ongoing **cost of solar is a major pain point** for both current and prospective adopters.

Why this matters

- Rate changes may impact customers who are already financially committed and have limited flexibility.
- Financial pressure increases sensitivity to bill increases.

Key Insights

Rate Changes Will Create Affordability Challenges for a Subset of Customers

What customers are telling us

- Solar bill increases will reduce **disposable household income** for most customers.
- An estimated **6% of customers may struggle to pay bills on time**.

Why this matters

- Even modest bill increases can have outsized impacts on vulnerable households.
- This raises equity and customer support considerations alongside rate design decisions.

Solar Is Meeting Expectations – but Savings Drive Motivation

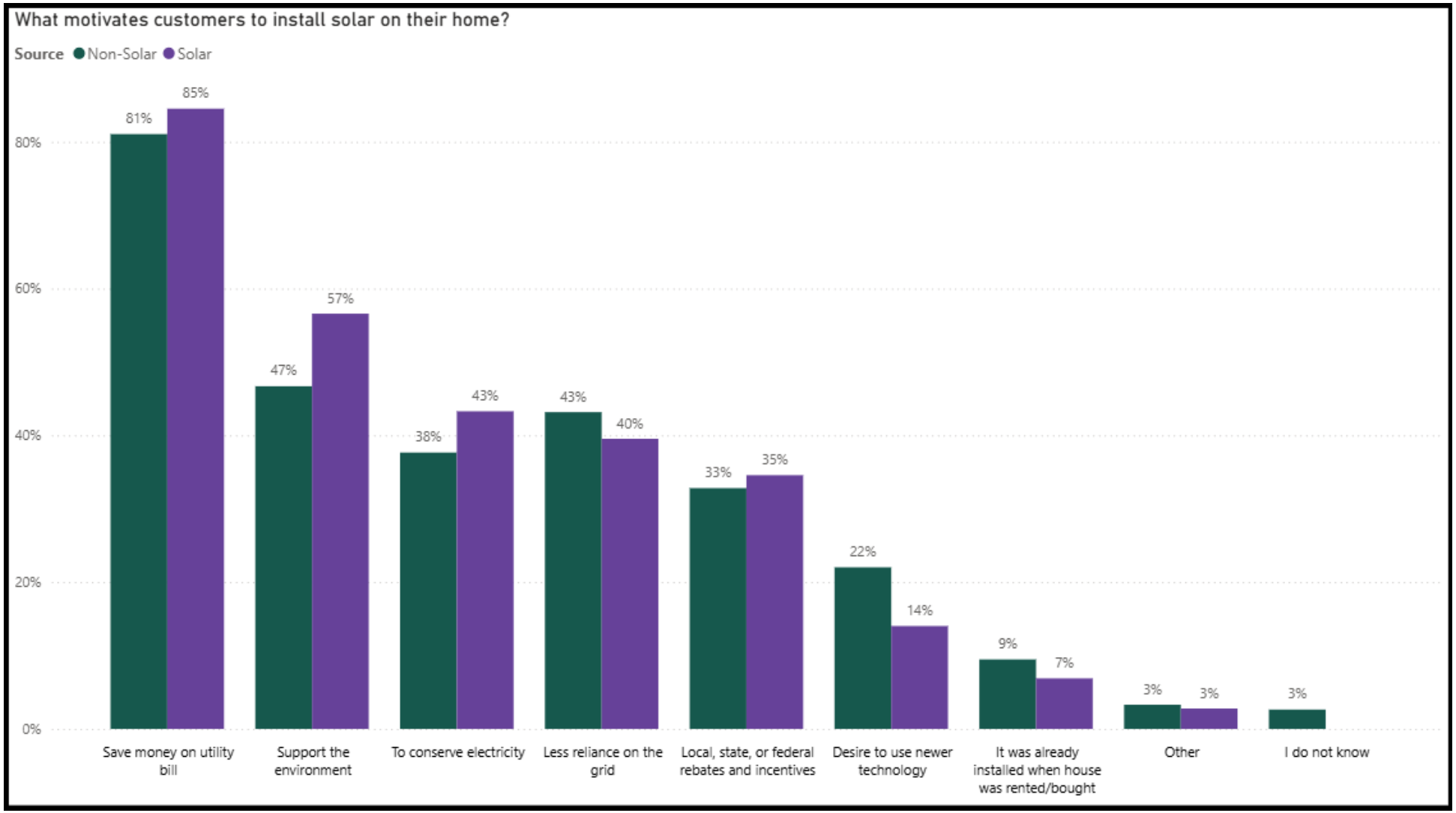
What customers are telling us

- **74% of solar customers** say their systems meet or exceed expectations.
- The primary motivation for installing solar is **bill savings**, followed by environmental benefits.

Why this matters

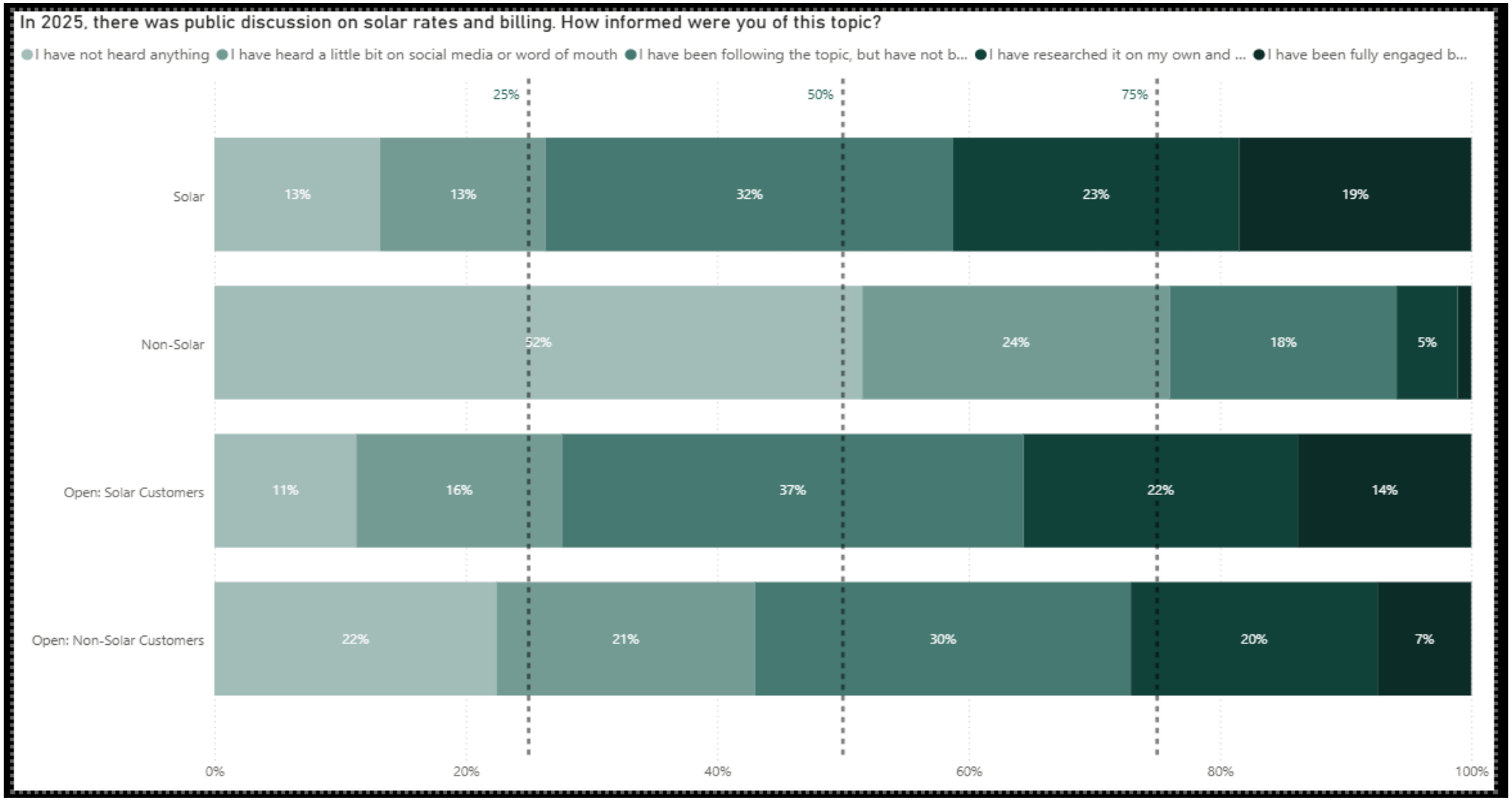
- Customers evaluate solar success primarily through a financial lens.
- Changes that alter perceived savings directly affect satisfaction and trust.

Saving Money on Utility Bill is the Primary Motivation for Residential Solar



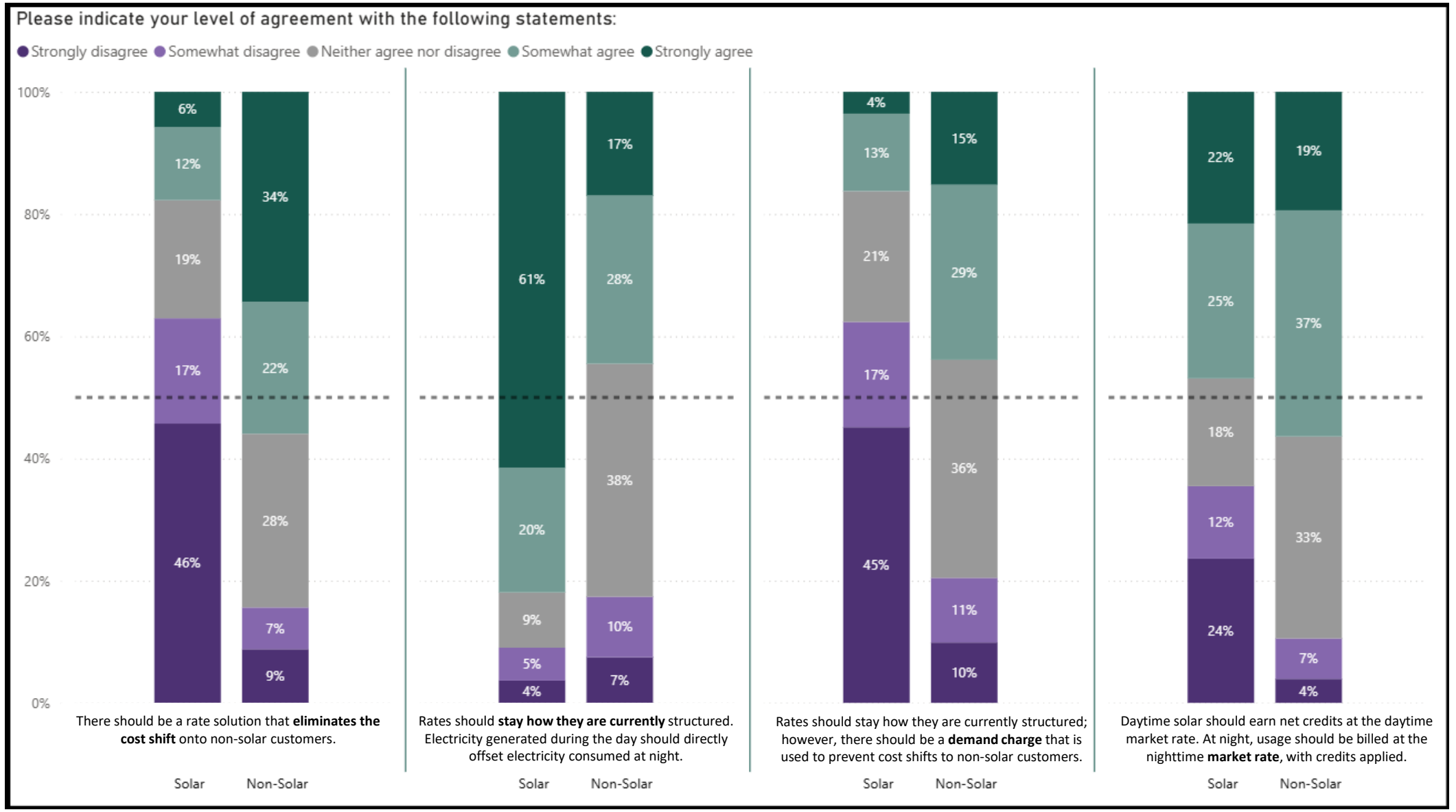
2026 Solar Survey: "What motivated you to install solar on your home? Please select all that apply." n=827
2026 Non-Solar Survey: "What do you believe motivates others to install solar on their home? Please select all that apply." n=453

Engagement Levels of Customers During 2025 Solar Rate Discussions



Source: 2026 Solar Survey (n=827), 2026 Non-Solar Survey(n=453), and 2026 Open Solar and Non-Solar Survey (n=382)

Agreement of Rate Statements – Solar and Non-Solar



Source: 2026 Solar Survey(n=424) and 2026 Non-Solar Survey(n=453)

Solar

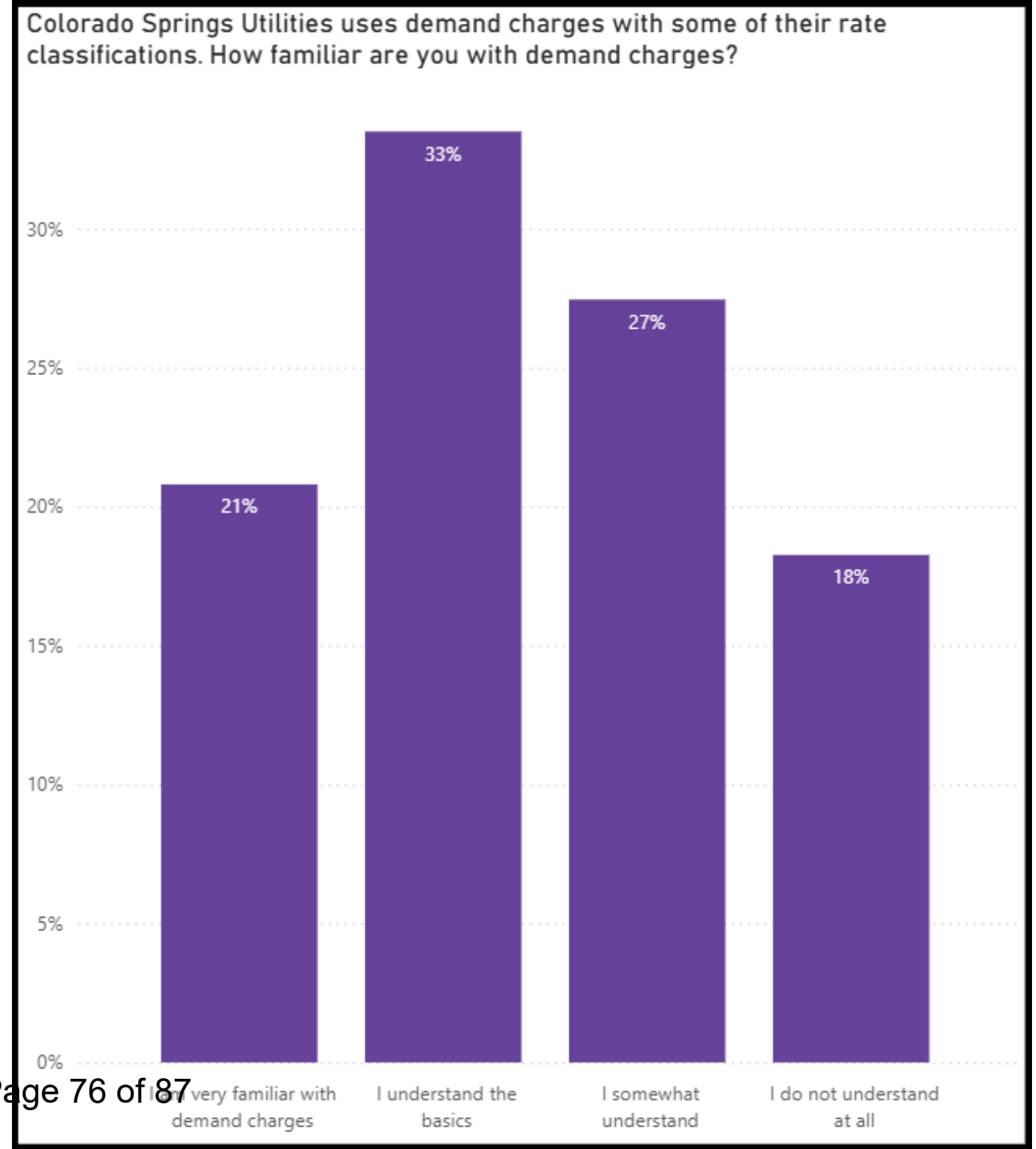
Most Customers Believe They Understand Demand Charges

Customers may feel confident in their understanding, yet confusion often persists

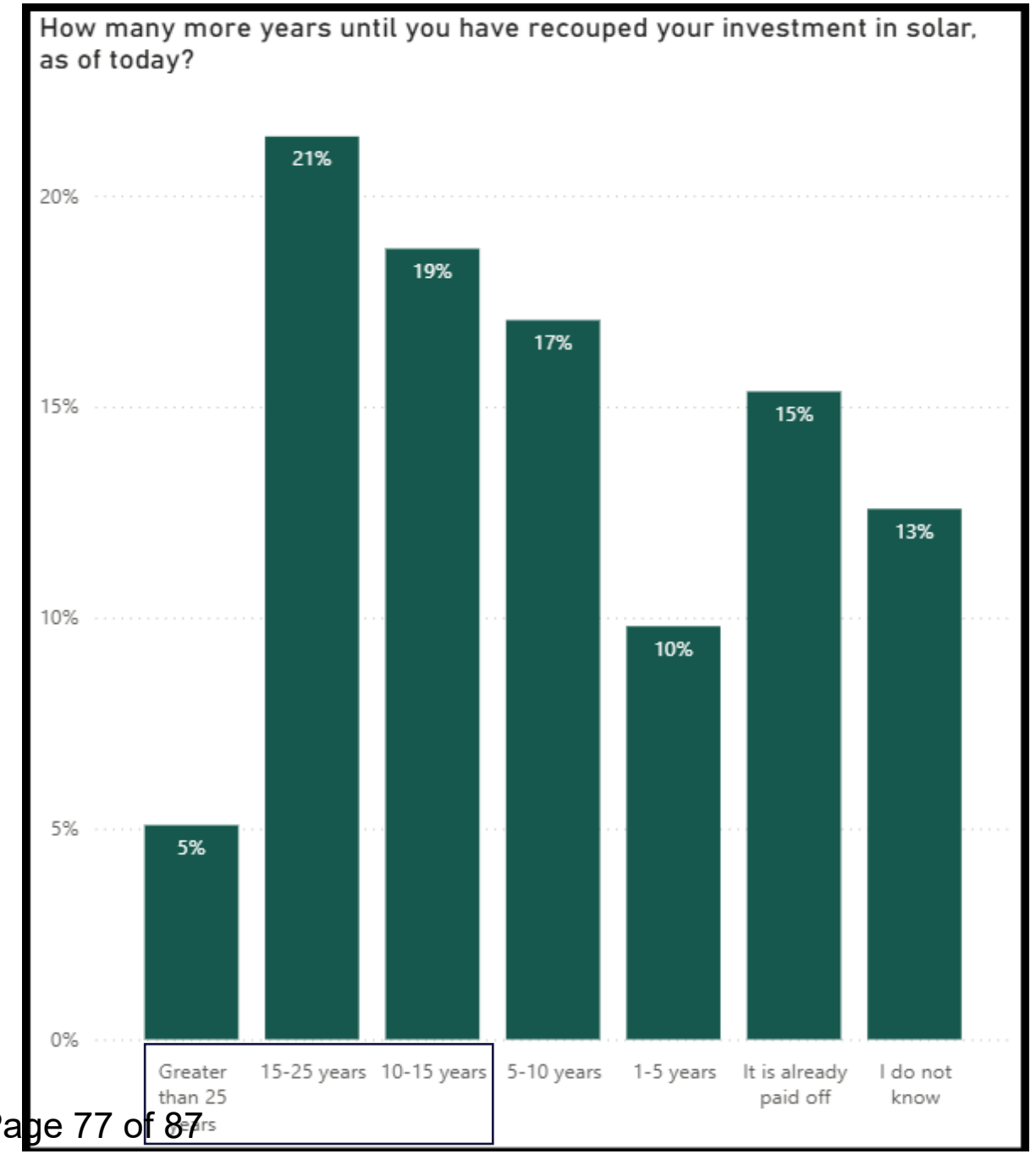
- Customers who understand it best are the closest to getting it right, though still not fully accurate

"During specific time periods M-F 5pm-9pm a higher rate is charged.
–A verbatim from a customer who selected "I am very familiar with demand charges"

Source: 2026 Solar Survey (n=827)

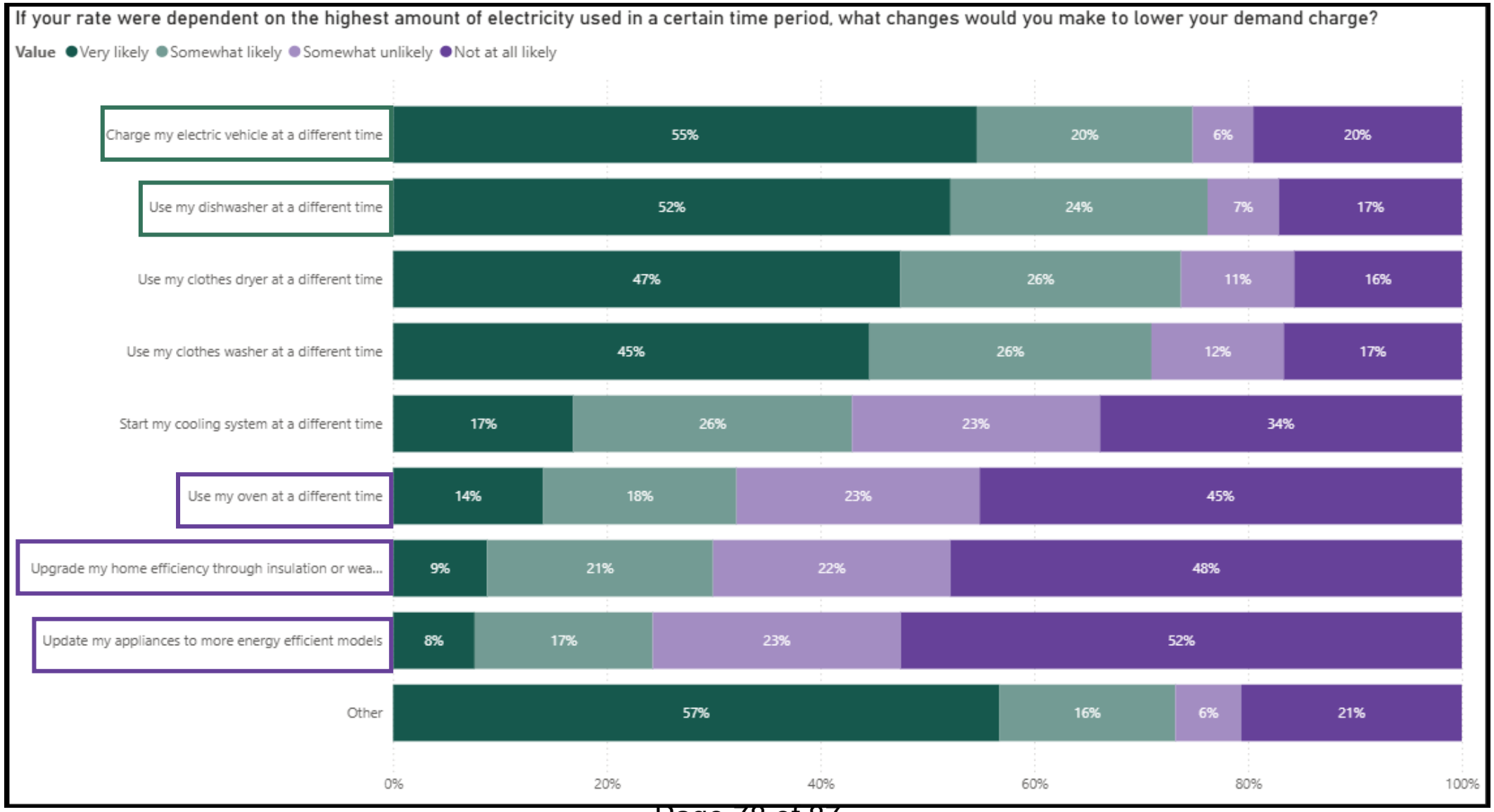


About Half of Solar Customers Have at Least 10 Years to Pay Off Their Solar System



Source: 2026 Solar Survey (n=827)

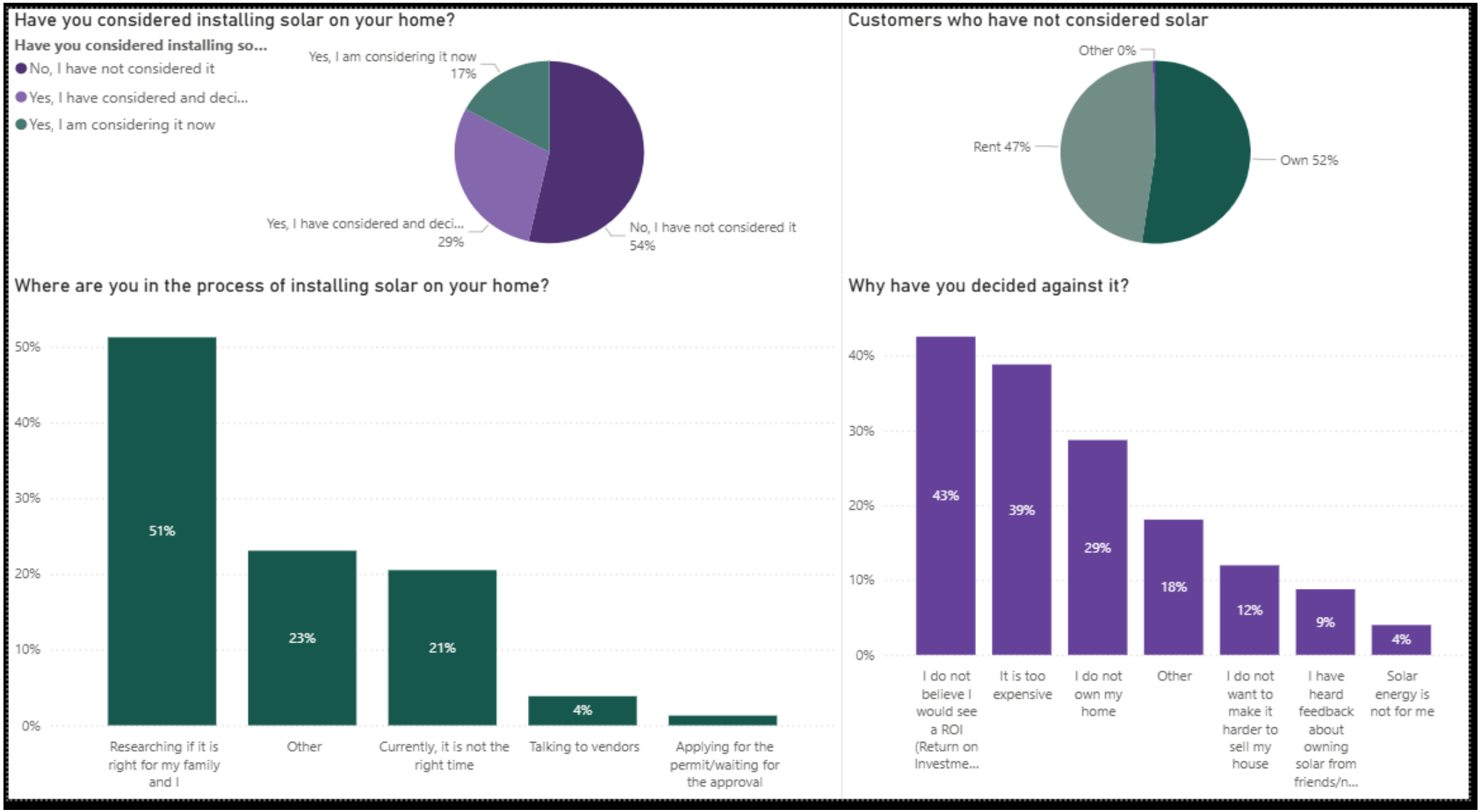
Solar Customers are Willing to Change



Source: 2026 Solar Survey (n=827)

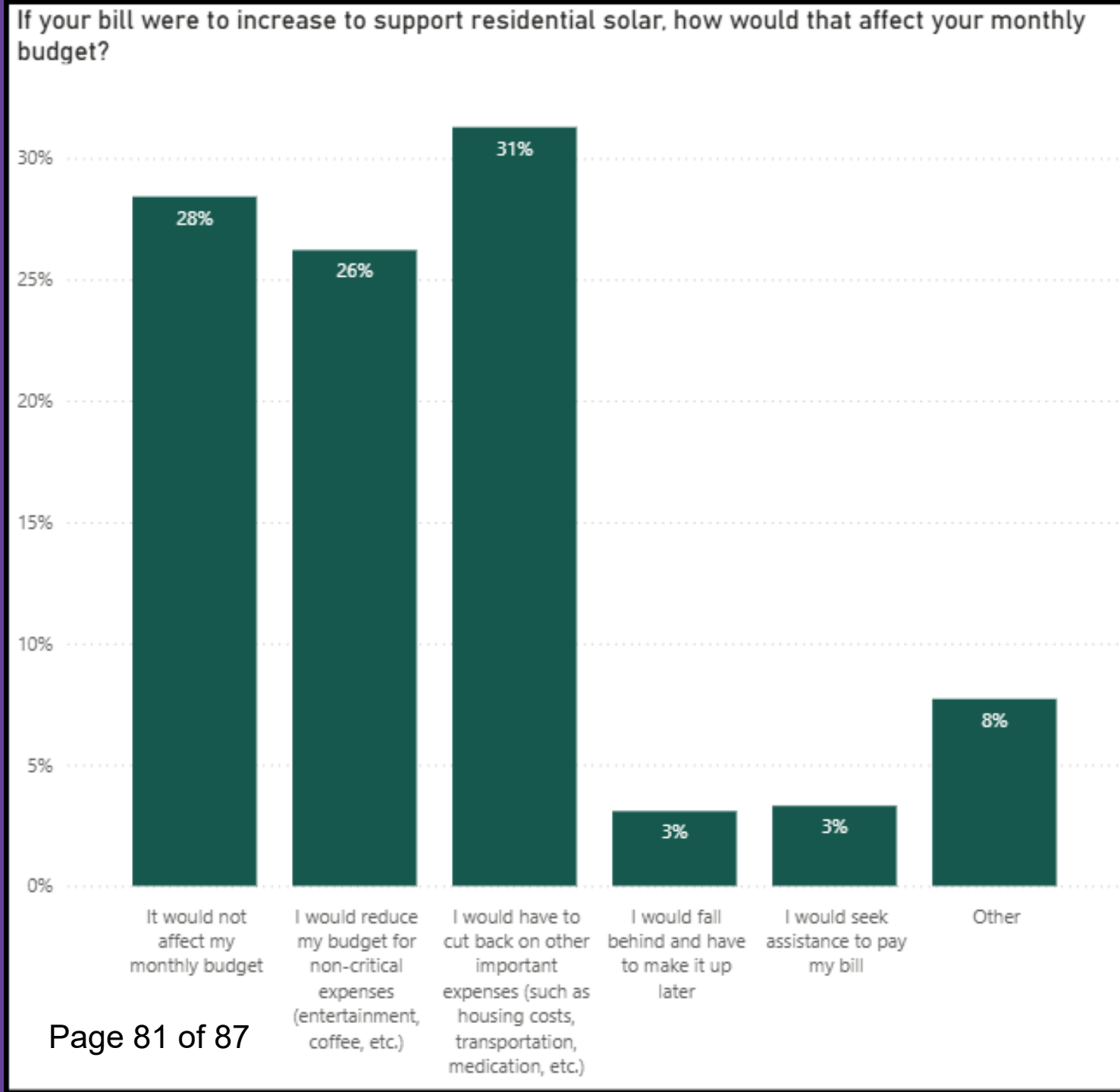
Non-Solar

Almost Half Have Considered Installing Solar



Source: 2020 Non-Solar Survey (n=453)

About 30% of customers would have to cut back on important expenses if their bill increased to support residential solar and 6% would experience hardship



Source: 2026 Non-Solar Survey (n=453)

Customer Thoughts On Residential Solar Generation By Survey Type

Solar Responses (427)

Solar customers overwhelmingly focus on:

- Rate fairness and stability
- ROI protection and fear of rate changes
- Strong desire for grandfathering
- Desire for batteries and system expansion flexibility

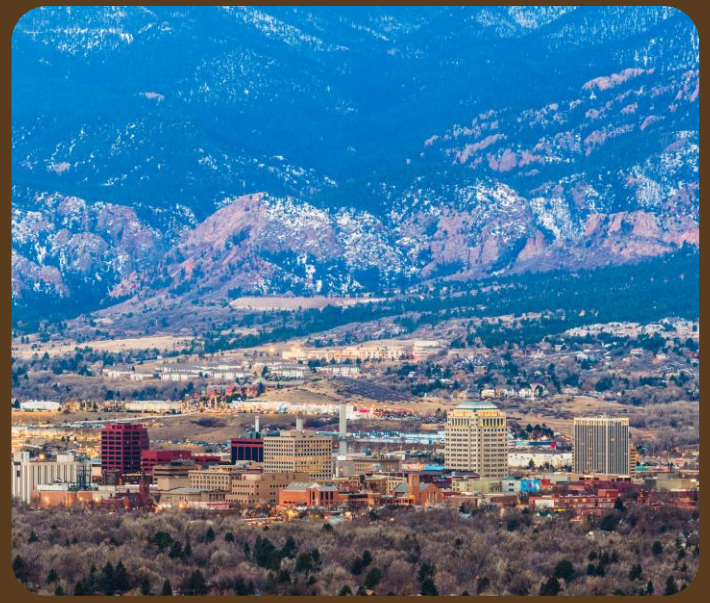
Their comments frequently reference personal investment, past agreements, and expectations set by the utility. Comments in this group tend to be the most combative and oppositional, pushing back hard on policy changes and emphasizing fairness.

Non-Solar Responses (134)

Non-solar customers primarily emphasize:

- Opposition to subsidizing solar customers
- General support for solar generation
- Some skepticism toward solar's effectiveness and environmental impact
- Interest in solar only if costs drop or incentives increase

They often frame the solar ecosystem as inequitable or inaccessible. Overall, responses in this group exhibit the least hostility, focusing more on enablement and education.



Open Survey Responses (220)

This group behaves like a blend of the other two and includes both solar and non-solar customers.

- Polarized with both pro and anti-solar sentiments appearing often
- Rebates and incentives frequently mentioned
- They also have a uniquely high concentration of requests for more information, reflecting lower familiarity with rate design, metering, and storage policies

Less strongly opinionated compared to the other survey respondents.

Customer Comment Alignment
Similar comments from both customer segments

Frustration with complexity

- Customers find rate structures and terminology about solar confusing

Desire for transparency and explanation

- Customers request better communication about policies and impacting change

Storage as a solution

- Comments suggest support for **utility-scale storage** as a solution for supply and solar generation issues, and to a lesser extent **residential batteries**

Next Steps

Focus Groups: April

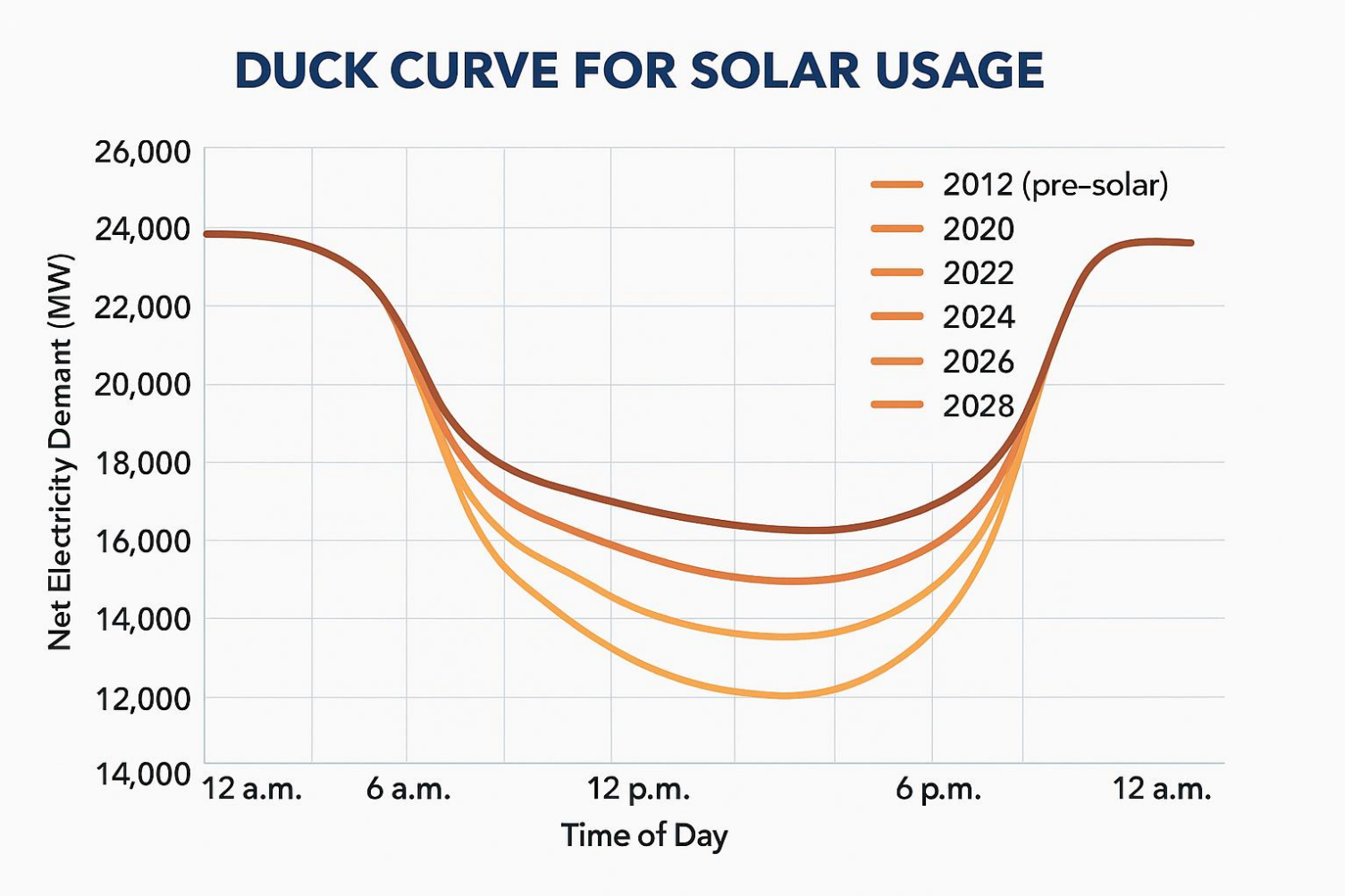
Board Update on Focus Groups: April

Rate Recommendation: May

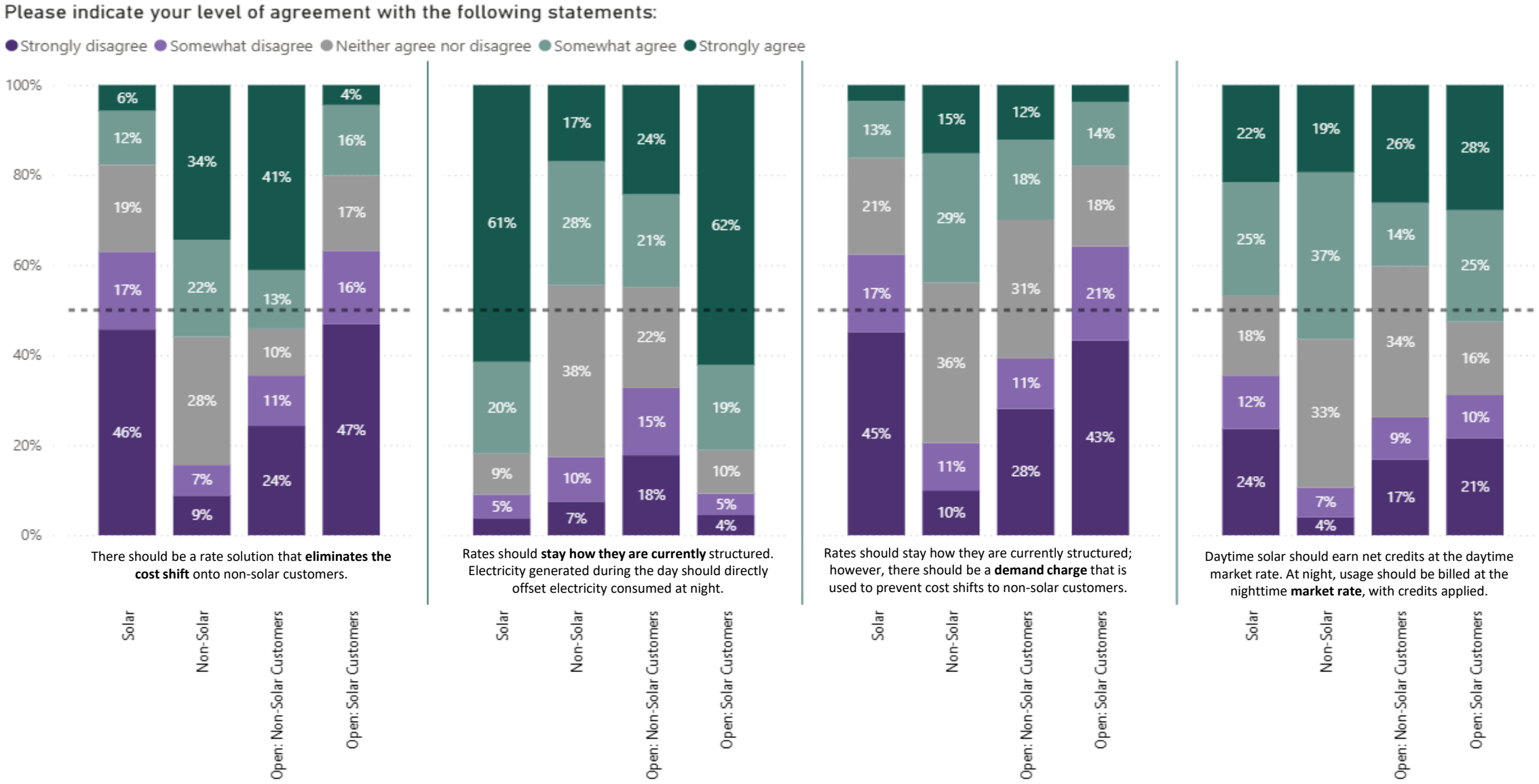
Appendix

Solar Usage

- Solar reduces net system load during midday
- Demand rises quickly in the evening when solar fades
- This creates operational and cost challenges for utilities



Agreement Of Rate Statements – All Segments



Source: 2026 Solar Survey (n=827), 2026 Non-Solar Survey(n=453), and 2026 Open Solar and Non-Solar Survey (n=382)