With New Programs and Renewable Resources, Xcel Energy Is Ready for the Future
An Interview with Regional Vice President Jerome Davis

By Kym Wootton
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Xcel Energy, an E Source member for nearly 15 years, is a major US electricity and natural gas company with operations in 8 western and midwestern states providing service to 3.4 million electricity customers and 1.9 million natural gas customers. We sat down with Jerome Davis—regional vice president for Public Service Company of Colorado, an Xcel Energy company—to understand more about Xcel Energy and its top initiatives.

Davis has executive leadership responsibility for local government affairs in 165 communities located throughout Colorado. He oversees the managed accounts of the company’s largest business customers, which together make up more than $1 billion in annual revenue. Davis is also responsible for providing strategic leadership for the management of community relations and economic development for the Colorado jurisdiction.
E Source: Our research consistently shows that customers are more likely to be satisfied when they have participated in programs with their utility. You’ve been ranked one of the top 10 utilities for energy efficiency in the nation. Tell us about some of the programs you’re offering.

Davis: We know our customers are interested in managing their energy. That’s why we offer customers some of the most comprehensive and successful demand-side management [DSM] programs. We have over 100 rebate, education, and technical support programs companywide. We’ve been able to avoid more than 16 medium power plants by offering DSM since the early 1990s. Last year was another successful year, with over 950 gigawatt-hours of energy savings and almost 1.5 million dekatherms of saved natural gas. This was the highest natural gas energy savings we’ve ever reached.

E Source: As you know, E Source is headquartered in Boulder, Colorado, so we’re particularly interested in what you’re doing locally.

Davis: In Colorado, we’re launching several new energy-efficiency offerings, including smart thermostats for residential and business customers, and updated energy information systems for large customers. We’re also offering installation of energy-efficiency measures in both single-family homes (through the Home Energy Squad) and multifamily housing (via a multifamily buildings pilot).

E Source: This year, the EPA finalized the Clean Power Plan and dozens of nations gathered for the 21st Climate Change Conference in Paris. Customers are more interested in clean and green power than ever before. What does Xcel Energy offer in terms of these types of programs?

Davis: For over a decade we have pursued clean energy initiatives. Our clean energy strategy balances environmental improvement and cost while ensuring we continue to operate a reliable utility system. Energy efficiency is one key component. Another is renewable energy. We’re among the nation’s leaders in delivering safe, clean energy from renewable sources at an affordable price. Today, 22 percent of the electricity companywide comes from renewable resources—wind, solar, biomass, and hydroelectric energy.

E Source: Anyone who’s ever driven a car in the foothills or on the plains of Colorado knows it gets windy here. What technologies is Xcel exploring to leverage this resource?

Davis: We’re making great headway with wind. Xcel Energy is the number-one provider of wind power in the nation, a position we’ve held for 11 consecutive years. Wind energy isn’t just good for the environment; it’s easily the best-priced renewable option available to us to meet our customers’ energy needs.
needs—and we plan to use it more. We set a new clean energy record on October 2 when wind energy supplied 54.3 percent of the power delivered to Colorado customers. This was the first time we served more than 50 percent of customer daily load with wind for an entire day. Renewable energy records like this are happening more often, and high levels of electricity generation from renewable sources are becoming increasingly common.

Xcel Energy purchases wind power from wind farms in Limon, Colorado.

E Source: Wow, that’s impressive! What about solar? What’s Xcel’s track record there?

Davis: We’re ranked among the nation’s top 10 solar providers, and we invest in economical large-scale projects that serve all customers. In fact, we recently broke ground on the Comanche Solar plant, a 900-acre solar power plant located near Pueblo, Colorado, that will be the largest solar power plant east of the Rocky Mountains. Xcel Energy will purchase electricity generated by the solar power plant under a 25-
year power purchase agreement at costs comparable to natural gas. In addition, we offer customers the option to participate more through voluntary, customer-driven programs, such as Solar*Rewards (rooftop installations) and Solar*Rewards Community (gardens).

Our clean energy strategy is built on another component: modernizing our power plants and energy delivery systems to reduce emissions. The modernization of our system results in cleaner air and a more balanced and flexible energy system, which complements the integration of increasing renewable energy and has helped position the company for US EPA regulations for greenhouse gases. Companywide, it will contribute to a projected reduction in carbon dioxide emissions of 30 percent by 2020 from 2005 levels.

**E Source:** As you know, customers’ expectations are increasing. They want reliable power and low costs, but they also want more options, more control, more convenience, and more opportunities to communicate and collaborate with their utility. How is Xcel Energy adapting to these changes?

**Davis:** Our diverse and innovative programs include more-convenient payment options, rebates for energy-efficient upgrades, and the chance to make a difference by choosing renewable energy.

As customers become increasingly interested in making energy choices that meet their individual needs and preferences, we’re providing solutions that have the best combination of benefits at a reasonable cost, which customers are taking advantage of in large numbers.

**E Source:** What investments is Xcel making in advanced technologies and solutions for the next-generation utility customer?

**Davis:** Looking to the future, we’re already investing in and analyzing how we create the capabilities and services that will be there to meet our customers’ energy needs. We’re working ahead on emerging issues that will be extremely important in the years to come: energy storage and modernization of the grid.

Even as the industry continues to change at a rapid pace, our customers stand to benefit from greater choice and improved efficiency.

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