



MEMORANDUM

P.O. Box 4100 ♦ FRISCO, COLORADO 80443

TO: MAYOR AND TOWN COUNCIL

FROM: HILARY SUEOKA, ENVIRONMENTAL PROGRAMS MANAGER

RE: RESOLUTION 24-21 ALL ELECTRIC MUNICIPAL BUILDINGS POLICY

DATE: MAY 14, 2024

Summary and Background: In March 2022, town staff began working collaboratively with Xcel Energy and Brendle Group on an Energy Action Plan through Partners in Energy. The final Town of Frisco Energy Action Plan was adopted by Resolution 22-30 at the October 11, 2022, Town Council meeting. One of the target outcomes from this plan, and specifically the municipal buildings section, includes “adopt an all-electric policy for new Town facilities.” An “all-electric policy” is a commitment to electrification and avoiding methane gas (natural gas) for heating, cooling, appliances, and any other use. For the purposes of this staff report, the policy would only apply to municipal buildings.

Currently, there are over 30 Town-owned buildings. These buildings make up 45,000 MTCO₂E (2%) of the community’s overall Greenhouse Gas (GHG) emissions. Additionally, 53% of the Town’s energy use in municipal buildings is from methane gas. An all-electric policy would ensure that future new construction prioritizes sustainable fuel options.

Council has supported all-electric design and building by directing staff to pursue sustainable construction efforts with the Landing, Slopeside Hall, Granite Park and Old Town Hall. Adopting an all-electric policy for new Town facilities is the formal process that ensures all future construction of new Town facilities will include all-electric space and water heating, cooling, and appliances.

Council discussed an all-electric policy during a work session on February 27, 2024, and supported moving forward with an all-electric policy for municipal buildings.

Analysis: An all-electric policy is supported by the Town of Frisco Energy Action Plan. An all-electric policy for municipal buildings will help the Town meet climate goals stated and committed to in this plan. Additionally, Xcel Energy has a goal of achieving 100% carbon free electricity by 2050. Current grid improvements and future commitments from Xcel will reduce GHG emissions from all-electric buildings over time while those associated with burning methane gas will remain as they are today. Pursuing a policy to electrify all future construction and renovation is well timed as the Town moves forward with Environmental Performance Contracting following the results from the Investment Grade Audits (IGA), currently underway by

McKinstry. An all-electric policy will help to support any electric upgrades or retrofits recommended for Town-owned buildings in McKinstry's IGA report (expected October 2024). Although Council has already planned for several all-electric new buildings, moving forward with a policy would demonstrate the Town's leadership and commitment to climate goals as written in the Town of Frisco Energy Action Plan.

By adopting an all-electric policy for Town-owned buildings, Frisco joins other municipalities across the nation in this effort, including Seattle, Olympia, and Tacoma, WA; Boston, MA; and Traverse City, MI. Locally, Denver, Aspen, Lafayette, and Crested Butte have adopted all-electric building codes for most new construction, and not restricted to just municipal buildings.

Financial Impact: Each building and renovation project will need to be analyzed individually for financial impact. In many cases, avoiding natural gas in new construction saves money. Slopeside Hall provides a good example of this. Fuel switching during renovations or retrofits may provide savings, especially when paired with weatherization improvements, although the financial impact is difficult to predict without a specific premise and situation.

As Xcel customers have seen over the past few years, electricity prices tend to remain mostly consistent and predictable while methane gas is prone to greater fluctuation in cost. All-electric buildings offer stability and a greater ability to predict and budget for upcoming utility costs.

The Inflation Reduction Act has already begun to provide rebates and grants for clean energy investment. Town staff has taken advantage of grant applications such as the Public Building Electrification grant and continues to track Direct Pay for solar installations and Electric Vehicles/charging infrastructure. These rebates and grants, in collaboration with our plans to pursue an Environmental Performance Contract following the reporting from the Investment Grade Audits, increase affordability of implementation. In addition, adoption of an all-electric policy could support any related future grant application by demonstrating the Town's commitment to electrification.

Following conversations with our Xcel Account Representative, it is possible that a retrofit or renovation on a Town building could require electrical upgrades or reinforcement of the grid, depending on required electric load and existing capacity. Each electrical upgrade requires analysis, and the proposed policy includes language to exempt a building from becoming all electric if the costs to electrify were prohibitively expensive.

Alignment with Strategic Plan: Pursuing an all-electric policy is supported by the following strategic objective and associated pillar: Core Services: Environmental stewardship and reducing the effects of climate change.

Environmental Sustainability: An all-electric policy for municipal buildings fulfills many goals of energy reduction and is identified as a strategy under the municipal buildings section in the Town of Frisco Energy Action Plan, adopted by Council in October 2022.

Staff Recommendation: Staff recommends that Council approve Resolution 24-21 All-Electric Municipal Buildings Policy.

Approved By:
Diane McBride, Assistant Town Manager

Tom Fisher, Town Manager
Leslie Edwards, Finance Director

Attachments:

Attachment 1 – Partners in Energy Frisco Energy Action Plan

Attachment 2 – All-Electric Municipal Buildings Policy

Attachment 3 – Resolution 24-21

Attachment 4 All-Electric Municipal Buildings Policy Discussion 2-27-24