



2024 First Quarter Colorado DSM Roundtable Update

May 8, 2024

Public Service Company of Colorado (“Public Service” or “the Company”) provides the following update regarding product status including energy and demand savings achieved, product expenditures, implementation changes, and measurement and verification (“M&V”) modifications.

Product Implementation

Please refer to the attached table for the preliminary first quarter 2024 (cumulative January 1, 2024 – March 31, 2024) product energy and demand savings achieved, product expenditures, and CO₂ and SO₂ emissions avoided. In total, Demand-Side Management (“DSM”) products have achieved electric savings of approximately 215 GWh and gas savings of 340,650 Dth in the first quarter of 2024. This represents approximately 45% of the 2024 electric DSM plan’s energy savings target of 473 GWh and 39% of the gas target of 877,365 Dth.¹

The following section provides product status activities for the first quarter of 2024 in the Business, Residential, Income-Qualified, and Demand Response Products, as well as Indirect Products & Services and other related activities.

Business Program

- **Business Energy Assessments** — The product had great results from 2023 and continued to have a large pipeline beginning in Q1 2024. Many customers are now able to begin implementation of energy conservation opportunities identified in their assessments. The Company found data that implementation projects take longer from the start of the individual assessments due to businesses needing approval from larger financial internal teams. Indoor agriculture customers have given Public Service great feedback regarding the value of an indoor agriculture specific assessment in grow houses. Building Energy Assessments requests are increasing. Statewide building performance ordinances and standards are increasing the pipelines with many customers required to either obtain a The American Society of Heating, Refrigerating and Air-Conditioning Engineers (“ASHRAE”) 1 or 2 assessment or reduce a large amount of energy use. The Business Energy Analysis and Assessments product manager is working with different city ordinance programs to help market to these customers and reduce any confusion on lessening energy use. Outdoor Agriculture Assessments have not seen as large of a pipeline increase as we originally expected. Through our communications with these customers we have found that their budgets are tight and therefore energy reduction is not a current focus. The Business Energy Assessment bonus yielded great participation but there is no intention to bring back a bonus in 2024. There is a focus to help gas customers with electrification measures through assessments. The program will complete an RFP by the end of 2024 with work beginning in January 2025.
- **Business HVAC+R Systems** -- The Company continues to promote the new beneficial electrification rebate measures, including heat pumps, with our trade partners and customers. Though participation has been minimal, we are seeing an increased interest in these technologies. New gas saving measures have also been added to the HVAC+R product portfolio

¹ Savings targets given here reflect the Comprehensive Settlement Agreement regarding the Company’s 2023 DSM & BE Plan, Proceeding No. 22A-0315EG.

and the Company will continue to promote these through trade partners, customers, and trade events to help reduce carbon emissions in our Colorado service territory.

- **Compressed Air Efficiency** — In Q1, this product saw a slow start in savings. Supply chain concerns continue to impact the market and product pipeline resulting in delayed projects (late 2023 and 2024).
- **Custom Efficiency** — Q1 was a slow quarter for this program, but projects remain in the pipeline for later in 2024. Efforts to grow the pipeline in the future have taken place in Q1 and are planned for Q2, including customer and sales team education.
- **Data Center Efficiency** — In Q1, the Company made progress towards its targets by booking one large project. The Company continues to meet with trade partners and customers individually and in training sessions to discuss pipeline, industry trends, and supply chain constraints. The pipeline for 2024 remains strong, with most projects expected to close in Q4.
- **Energy Management Systems (“EMS”)** — The Company has made fast progress in creating marketing material and an application for three new prescriptive measures which are the Guest Room Energy Management (“GREM”), Demand Controlled Ventilation (“DCV”), and Pneumatic to Wireless DDC Thermostats. Other completed items included increased training on demand peak load shifting for Trade Partners, and applying a 50% incremental cost reduction for cost-effective accuracy. The Company expects to see 30% more EMS projects completed in 2024 due to product changes.
- **LED Street Lights** — The product is on track to achieve its forecasted target.
- **Lighting Efficiency** — This program is currently on track to again overachieve. With Grow Lighting not taking the step back that we had anticipated, the Company has decided to end the Grow Lighting bonus early to assist with the costs affected by this bonus and our effectiveness in managing the budget and spend for our Colorado Portfolio. The new dates of the bonus will require customers to have their projects invoice date be on or before June 15, 2024 with a completed project paperwork deadline of July 31, 2024. There has been communication extended internally as well as externally to inform our customers and the trade of this change.

The lighting bonus is attributing to the increase in non-grow light savings. To ensure customers who were making purchasing decisions on equipment upgrades could take advantage of the lighting bonuses, the bonus was extended through September 30, 2024. The invoice dates are now January 1, 2023, through September 30, 2024, and all completed project paperwork must be turned into Xcel Energy by November 30, 2024.

An evaluation for the instant or mid-stream lighting product is currently underway and should be completed by December of 2023, with the results available mid year 2024.

- **New Construction** — The product performed well in Q1 and is on target for both electric and gas commodity savings. The forecast and pipeline remains strong with a high expectation for the rest of the calendar year. The bulk of the savings were generated from the Energy Design Assistance product. The products have seen project timelines extensions due to supply chain and budget constraints, however with the large pipeline of projects, the products remained consistent. The Codes and Standards offering is continuing to influence the market by hosting trainings and providing assistance to jurisdictions that are exploring updating their energy code. The offering

helped eight communities in Company service territory advance their energy codes throughout the year.

- **Self-Direct** — In Q1, several customer projects came to fruition. The Company reviews prospective projects and recognizes that most customers gravitate to our holistic, full-service programs.
- **Small Business Solutions** — In Q1, this product has made progress towards electric and gas savings targets. Sensitive profit margins and lengthy returns on investments leaves small businesses hesitant to invest in energy efficiency upgrades. The Company continues to leverage partnerships with local city/town representatives and have a presence at segment specific events to increase the ease of product access and program participation. This product continues to diversify marketing media and messaging to reach different customer sub-segments with an emphasis on the free assessment, energy efficiency improvement guidance, and lowering customer bills. The free assessment, along with bonus rebates, will be marketed to both customers and trade partners through a variety of channels including grassroots business-to-business canvassing and presence at small-business focused events, direct mail, e-mail, and digital ads.
- **Strategic Energy Management (“SEM”)** — This program completed nearly 72 Gh in Q1 and is at 89% of its goal. The largest savings came from indoor agriculture customers. In addition, this program saw substantial savings from hospitals, government facilities, and food/beverage processing. The Q1 achievements were the result of a number of projects that carried over from 2023 into 2024. The program has a strong pipeline for Q2, but project completion rates are expected to steadily slow down as the year progresses.

Residential Program

- **Energy Efficiency Showerheads** — In Q1, this product focused on developing the 2024 marketing calendar to drive participation throughout the year. Marketing kicks off in Q2 and will utilize the business replay cards that drove the successful campaigns in 2023. Marketing will continue throughout the year with more targeted campaigns including email and events.
- **ENERGY STAR® New Homes (“ESNH”)** — In total, 933 homes were credited to the product through Q1. Additionally, the Program recorded 15 all-electric homes through Q1 and no homes yet have met the all-electric bonus rebate threshold. This program paid 39 heat pump water heater rebates in Q1, more than doubling the total number in all of 2023. 57% of participating homes were in jurisdictions on 2021 IECC. Approximately 65% of Program homes in Q1 were less than 20% better than local energy code.

For Marshall Fire recovery, 76 homes have received rebates. The Company processed 41 homes for code compliance, and 21 for compliance with ENERGY STAR® NextGen.

- **Home Energy Insights** — Home Energy Insights saw a strong start to Q1 with the cohorts performing well. The Company continues to work on segmentation efforts to offer reports specific to customers who have solar or an EV at their home to offer a greater benefit.
- **Home Energy Squad** — This program achievement is off to a slow start in reaching desired participation targets. The program has increased staffing levels (qualified technicians and auditors) to help more customers achieve energy efficiency through the direct install program and be aware of larger projects that will also save energy. This program offers the standard Home Energy Squad visit which includes an energy efficiency audit. The product is driving participation

and savings through targeted marketing campaigns and promotes additional programs offered by the Company.

- **Home Lighting & Recycling** — This product continues to offer discounts within select retailers in an effort to support income qualified/disproportionately impacted communities. The product is expected to see a significant decrease in savings as compared to previous years which is in alignment with the changes in number of retailers offering the discounts.
- **Insulation & Air Sealing** — In Q1, overall participation was steady and the product is on track to meet its targets. The Marshall Fire Bonus, which was enacted after the natural disaster caused smoke damage to many homes, ended on June 30, 2023 coinciding with a lowered participation rate in the affected zip codes.
- **Multifamily Buildings** — Q1 participation has been increasing and we look for a greater number of opportunities to close as the initial assessments are completed, and direct install completed in Q2. The Company's marketing team created and distributed an email campaign in March aimed at landlords and property managers. Multifamily Building content was also published in the March issue of the Apartment Association of Metro Denver's ("AAMD") publication. We continue to grow and support the AAMD involvement in order to grow that relationship and establish a clear path for program communications. Additionally, we continue to work to update and refresh the program and web collateral.
- **Refrigerator & Freezer Recycling** — In Q1, savings and participation were lower compared to this time in 2023. Efforts in Q1 were mainly focused on implementing a long-term solution to the problems the program encountered in 2023. Also, marketing efforts are set to resume in Q2. The Company will continue to use cross-promotional tactics, e-mail campaigns, in-store promotion, and direct mail to increase awareness and program participation. Contact-free and in-home pickups are still available to customers based on preference.
- **Residential Heating & Cooling** — Participation in this product has increased from 2023 participation levels. In particular, heat pump and heat pump water heater participation have increased significantly. Overall, the program's electric and natural gas savings are significantly higher than at this same time in 2023.
- **School Education Kits** — Classroom participation is on track to meet 2024 targets due to strong participation levels this spring. The product is popular with teachers, students and parents resulting in high participation and installation of energy efficient devices. Students participate in an energy conservation-focused curriculum and receive a kit of energy-saving devices to install in their homes.
- **Whole Home Efficiency** — Participation was lower than anticipated through Q1 although already higher than 2023 totals. Participation and enrollment numbers are increasing over the previous two years. Collaboration with the product implementer is expected to increase participation from Trade Partners and customers. Work continues on incorporating improvements identified in the program evaluation results combined with continual efforts with the program implementer to increase awareness and participation with customers.

Income Qualified Program

- **Energy Savings Kits** — The product has not yet achieved any savings. Kit distribution is set to start again early this summer once inventory is replenished. The Energy Savings Kits will continue to contribute additional savings and educational awareness through an onsert included in each kit. The onsert will feature pertinent information in both English and Spanish around our time of use ("TOU") offerings and other energy efficiency programs. Savings are on target for 2024.

- **Multifamily Weatherization** — While there was a limited number of completed projects in Q1, this product has a strong pipeline of both regular and beneficial electrification pilot custom projects. Those projects are expected to begin closing out in Q2 through Q4. From an outreach standpoint, there has been an increased focus on customer education through text messaging, and other collateral. This messaging will continue to evolve as TOU and SmartMeter rollouts occur. There is additional marketing support and outreach planned in Q2. The program is on target for savings forecast.
- **Non-Profit** — While there was a limited number of projects completed in Q1, this product (similar to other income-qualified (“IQ”) programming) has a strong pipeline of regular custom projects and beneficial electrification pilot opportunities set to be completed in Q2 through Q4. Energy Savings Kit distribution to several local non-profit organizations have helped support the program engagement and associated savings. There is a plan for distribution of an additional 4,000 Energy Savings Kits to local non-profits in Denver and the surrounding areas. These kits have been well received by non-profits and help maintain engagement through an additional distribution channel from trusted non-profits. There continues to be a strong effort to share educational materials with non-profit organizations on ways to further increase energy efficiency and create greater savings. This is being done onsite by Energy Outreach Colorado (“EOC”) staff or by a staff review of energy bills to identify further opportunities. The program looks to meet its forecasted commitments for both electric and gas.
- **Single-Family Weatherization (“SFWx”)** — In Q1, the product started to pull in savings. We look for a strong performance to begin in Q2 and through the remainder of the year. From an outreach and education standpoint, the focus has continued on promoting Low-Income Energy Assistance Program (“LEAP”) assistance to previous program participants through texting and partnership campaigns. TOU and other efficiency offerings will continue to be the focus in 2024. In addition, food bank savings will be critical to ensuring the program reaches its savings targets across both electric and gas. This distribution will be made up of both LED and showerhead distribution through statewide foodbanks. New this year is the introduction of a four-pack LED with an added nightlight to further increase performance for the product. This addition has been requested through foodbank feedback and will bolster savings beginning in Q2-Q4.

Indirect Program

- **Business Education** — In Q1, the Business Education product achieved approximately 13% of the year-end target of 22,296 participants. The Company engaged with business decision makers at a variety of sponsored events in Q1. The team connects with customers at local events to drive education and awareness to the business specific energy-saving opportunities available to them. The product will be ramping up its engagement opportunities and communications with print and digital tactics targeting business customers planning to launch in Q2. In addition to driving messaging and business collateral at events the team engages and hosts key customers at networking opportunities via partnerships with CU Boulder and Denver Broncos. Face-to-face event opportunities and print and digital advertising will continue to be important in engaging with our business customers.
- **Business Energy Analysis** — The Business Energy Analysis product ties into the Business Energy Assessments product. This product is publicly known as Commercial Streamlined Assessments. This product conducts assessments similar to ASHRAE level 1. The goal is to get close to 300 assessments. The product is forecasting to hit its savings goals by the end of the year although participation is lower in Q1. This lowered participation is a common historical trend over the last several year and participation continues to increase exponentially closer to Q3 and Q4. All the building performance ordinances and standards around the state have also increased the communication with many customers being required to get an ASHRAE 1 or 2 assessment or else reduce a large amount of energy use. The product manager for Business Energy Analysis

and Business Energy Assessments is working with the different city ordinance programs to help market to these customers and reduce any confusion on how to reduce energy use. The most common equipment customers upgraded were VFDs which were also the highest energy savings found on most reports. There is an effort to focus on beneficial electrification measures in the reports and help customers find ways to electrify in 2024.

- **Consumer Education** — In Q1, Consumer Education achieved approximately 15% of the year-end target of 123,937 participants. The product relies on participation from local event sponsorships. The Consumer Education product thrives by sponsoring and activating at small to large local events with the intention of engaging with customers one-to-one. In Q1, the Company sponsored seven local events driving education and awareness to demand-side management's energy and money-saving programs and products. Events includes home shows, and free days at Denver Botanic Gardens and the Denver Zoo. Looking ahead to Q2 and Q3, the product plans to sponsor several busy outdoor events (e.g., Earth Day events, summer festivals). These face-to-face engagement opportunities provide the Company with valuable ways to connect with customers.
- **Energy Benchmarking** — The Company supports municipalities within its service territory to reach their benchmarking targets. In Q1, 202 new buildings were processed. Some of these are repeats as a result of new building owners benchmarking their buildings. Colorado commercial and multi family property building owners are required to benchmark any building larger than 50,000 square feet by June 1, 2023. The total Colorado building count is now up to 7,694 .
- **Energy Efficiency Financing** — Residential finance offerings continue to be promoted through the Company website which links customers to options available through the Colorado Clean Energy Fund. On the business side, the Company promoted financing options to businesses and commercial trade partners via the Xcel Energy website which connects to the National Energy Improvement Fund's ("NEIF") portal allowing access to the financing proposal request process.
- **Home Energy Audit** — In Q1, participation is strong and continued growth is expected throughout the year as customers are encouraged to participate in Company rebates for larger retrofit projects. The product supplies home energy audit services through an implementor and independent auditors. Customers are encouraged to use the advising service offered by the program designed to help them navigate company rebate programs.
- **Partners in Energy** — This program continued to support communities in their creation and implementation of energy action plans. Many communities received new and updated materials to support implementation of their energy management goals (some of it translated to Spanish). Several outreach events were supported by bilingual staff providing interactive activities and giveaways including LED bulbs, lighting kits, and educational cobranded collateral. There was one virtual network event that offered virtual coffee cards to attendees. There continues to be strong interest in the offering with additional communities interested in updating past energy action plans to incorporate beneficial electrification measures as a component of their green energy work or to create a new plan focusing on building electrification.
- **Market Research** — In Q1, Dun and Bradstreet industry 2024 information was updated, specifically industry categorization helpful for identifying demand-side management opportunities.

A residential pulse study was completed. This residential study tracks customer behaviors and attitudes involving a variety of topics. Findings include a rising awareness of smart meters and inquire regarding differences in TOU energy usage behavior. Rising customer bills continue to act as a stronger driver for energy decisions compared to environmental concerns. A product experience tracking study continues to monitor satisfaction with the various residential energy efficiency/demand response programs. Preparations are underway for fielding the 2024

residential home use study in Q2. Planning and stakeholder for the demand-side management and beneficial electrification potential study commenced in Q1.

- **DSM Evaluation, Measurement & Verification** — In Q1, Residential Energy Efficiency product evaluations for 2023 were completed, concluding with a detailed presentation to review findings and recommendations. Business Energy Efficiency evaluations are in the final stages of the evaluation process. Evaluations are tracking later than past years in response to the later implementation date of the 2023 demand-side management and beneficial electrification plan. Residential and Business Energy Efficiency evaluations for 2024 are underway. We are currently in the planning phase for all of the programs being evaluated.

2024 program evaluations are underway for five products:

- Business Energy Assessments, Data Center Efficiency,* and Business Education* in the Business Program; and
- Home Lighting and Recycling and Non-Profit in the Residential Program,

* Concurrent to MN programs

- **Demand-Side Management Planning & Administration** — During Q4 the Company filed its 2024-2026 demand-side management and beneficial electrification plan with the Colorado Public Utilities Commission.

- **Product Development** — Current development efforts include:

- Direct load control switches with two-way communications that control air conditioners and water heaters;
- Direct load control of roof top units and water heaters for commercial customers
- Multifamily thermostat control for demand management
- A behavior-based demand response product for residential customers that uses pre- and post-event communications and social comparisons to reduce customer consumption during demand response events;
- Variable speed air source heat pump controls for demand management
- Commercial & Industrial thermal storage
- A pilot to test home automation with the SmartThings platform
- Industrial heat pumps
- Commercial gas/electric hybrid boiler plant
- Commercial envelope measures to prepare buildings for beneficial electrification
- A thermostat-based gas demand management research project motivated in part to address gas distribution constraints in Summit County;
- Cold climate heat pumps;
- Networked Lighting Controls Demand Management;
- Appliance Standards; and
- Community Ground Source Heat Pump
- A more seamless experience for residential customers to replace failed equipment with electric heat pumps
- Long term engagement with residential customers to help with beneficial electrification

Demand Response Program

- **Critical Peak Pricing** — The Critical Peak Pricing (“CPP”) product dispatched two events in Q1. In 2023, it dispatched six events in Q3 and zero for the other quarters, resulting in a total of six events. CPP traditionally dispatches events in the summer but has the option to call winter events. The product added one new participant in Q2 2023 and one in Q3 2023. The product currently has a total of 35 participants (one customer merged two premises into one). Recruiting efforts and meetings with potential customers have continued including education on the programs at the Xcel Energy Expo in April 2023, Demand Management Summit held November 1, 2023, continued marketing, and meeting with controls vendors to help educate customers.
- **EV Critical Peak Pricing** — The EV Critical Peak Pricing (“EV-CPP”) dispatched two successful winter season events in Q1 2024. EV-CPP traditionally dispatches events in the summer months, but has the option to call events all year round. The product currently has a total of seven participants.
- **EV Optimization** — In Q1, the Charging Perks pilot (dynamic optimization) and Optimize Your Charge (static optimization) offerings continued enrolling EV customers. Several advancements, computer coding, and automation upgrades were integrated into Charging Perks to increase enrollment and tracking efficiencies. The pilot program has proven successful as more data arrives to illustrate that the dynamic charging approach is helping with avoided capacity, CO₂ emissions savings, and avoided renewable curtailment. Optimize Your Charge customer performance was processed in Q1 and performance data collection issues were again documented in a request for additional assistance with program data automation. Annual customer performance incentives will be processed at the end of Q3 2024.
- **Peak Day Partners** — Peak Day Partners (“PDP”) is a voluntary product where enrolled participants have the option to respond to price signals from the Company. The product finished Q1 with four participants with a projected potential event contribution of about 22MW. In Q1, there were three accepted control event offers.
- **Peak Partner Rewards** — The Peak Partner Rewards (“PPR”) product has not dispatched any events in Q1. In 2023, the product dispatched one winter event in January 2023 and three in Q3 2023, resulting in a total of four events in 2023. PPR traditionally dispatches events in the summer but has the option to call winter events. The product has not added any new participants yet for Q1 (eleven new customers were added in 2022 and two were added in 2023). The product currently has a total of 32 participants (one unenrolled in 2023 and one in 2022). Recruiting efforts and meetings with potential customers have continued throughout the year including education on the programs at the Xcel Energy Expo in April 2023, Demand Management Summit held November 1, 2023, continued marketing, and meeting with controls vendors to help educate customers.
- **Residential Battery Demand Response –(Renewable Battery Connect)** — The Company has seen an increasing amount of enrollments in this product with over 80 new participants in Q1. The product also began dispatching events to test a handful of use cases to determine optimal strategies that support the grid during peak times and over the entire day. This product can be dispatched up to 60 times per year and can be called year-round. The Company will continue to evaluate this product to determine an appropriate deemed savings value per battery that is anticipated to be included in future program achievements.
- **Residential Demand Response** — In Q1, the Saver’s Switch product has installed approximately 1,100 switches. The majority of these switches were maintenance replacements

of older switches that have outlived their useful life. These switches were originally deployed prior to 2006. The AC Rewards product has had over 3,800 new enrollments to date in 2024, with the majority coming through the Bring Your Own Thermostat channel. The Smart Water Heater product continues to struggle with supply of control modules. As of now, one unit has been deployed.

- **Small Commercial Building Controls** — Direct installations began in Q1 and the program will continue enrolling customers throughout 2024. The 2024 marketing efforts will include bill insert ads, in addition to marketing emails. In Q1, all offline thermostats were reviewed and disconnected customers were removed from the program in preparation for the summer 2024 event season.