

➤ Business Heating Efficiency – Product Changes

In accordance with the 2011 DSM Plan Stipulation and Settlement Agreement in Docket No. 10A-471EG, Public Service Company of Colorado agreed to provide this 60-day notice, in which parties agreed that the Company would conduct a comprehensive program evaluation on the Business Heating Efficiency Product in 2011.

Public Service proposes to change the net-to-gross factor to 86% for the Business Heating Efficiency Product. This change is based on the results from the comprehensive program evaluation report, finalized December 9, 2011. In addition, the evaluation report suggested program marketing process improvements and methods of streamlining the administration of the program that are currently being reviewed and implemented as appropriate.

We are posting the following documents with this Notice:

- The complete Program Evaluation can be found at:
<http://www.xcelenergy.com/About Us/Rates & Regulations/Regulatory Filings/CO DSM>
- The Updated Deemed Savings File for the changes outlined in the recommendations.

Recommendation	Response
1 There is no recommendation for improving measure persistence.	No recommendation made.
2 While no changes are recommended to the baseline efficiencies for new boiler projects, water heaters and furnaces; PSCo may want to consider revising the assumed efficiency for condensing space heating and water heating boilers to 94 percent to be slightly more conservative and consistent with the literature.	PSCo will adopt the change to assumed efficiency for condensing space heating and water heating boilers from 96% to 94%. An evaluation of this change indicates it will insignificantly impact the total resource cost.
3 Consider making outdoor air temperature reset ineligible for domestic hot water only boilers.	PSCo will make outdoor air temperature reset ineligible for domestic hot water only boilers.
4 Consider further research for the steam trap measure to ensure that the most representative information is used for participants in the Colorado territory only if or when steam trap savings meet or exceed 30 percent of the total Colorado Heating Prescriptive program savings.	PSCo has had insignificant participation despite active marketing efforts and will continue to remain attentive to the Colorado market. If the program meets or exceeds 30 percent of the total Colorado Heating Prescriptive program savings, PSCo will consider filing a modification for the Colorado program.

<p>5 Consider reducing the effective useful life for stack dampers from 20 years to 12 years to be more consistent with other programs.</p>	<p>PSCo will adopt this recommendation and reduce the effective useful life for stack dampers from 20 to 12 years to be more consistent with other programs. The evaluation of this change indicated it will insignificantly impact the total resource cost.</p>
<p>6 Consider increasing the effective useful life for pipe insulation from seven years to ten to 15 years (a specific number within the range) to be more consistent with other programs.</p>	<p>PSCo will change the effective useful life for pipe insulation from 7 to 15 years to be more consistent with other programs.</p>
<p>7 No changes are recommended to the effective full load hour assumptions.</p>	<p>No recommendation made.</p>
<p>8 We recommend a net-to-gross (NTG) ratio for the next program year of 0.86.</p>	<p>PSCo will adopt the measure and recommendation and will be effective in 2012. The net-to-gross ratio will change to 0.86. As Plan B becomes a larger part of the program we will evaluate and may increase it as the program grows.</p>
<p>9 Continue tiered rebate structure based on efficiency levels.</p>	<p>PSCo will continue this offering.</p>
<p>10 Consider offering trade ally incentives. If possible, limiting this incentive to nonparticipating or “first-time” vendors would maximize its influence. Another possibility is to only provide incentives upon the submission of complete program paperwork. This could reduce the program’s overall administrative burden.</p>	<p>Due to the negative effect of low gas prices and negative cost effectiveness of trade ally incentives in Colorado, PSCo does not intend to implement trade ally incentives at this time, however will consider further evaluation and possible implementation.</p>
<p>11 Continue to offer enhanced rebates for early replacement boilers.</p>	<p>PSCo will continue this offering.</p>
<p>12 Continue the boiler tune-up component as an important entrée into efficient equipment projects, but also continue to educate customers regarding the cost savings benefits of boiler tune-ups.</p>	<p>PSCo will continue this offering.</p>
<p>13 Investigate the feasibility of an enhanced boiler tune-up option in Colorado after the Minnesota Commercial Heating Efficiency program pilots this enhanced option</p>	<p>PSCo is evaluating the activities and the results of the Minnesota enhanced boiler-tune up option and implementing aspects of the program which will improve the current offering.</p>

in 2012.	
14 Continue to consider the savings potential of the somewhat limited eligible population when setting program goals.	PSCo will continue this practice.
Recommendation #15: Continue to offer program rebates that are important in addressing the initial cost barrier of energy efficient projects.	PSCo will continue this offering.
16 Continue to offer tune-ups as an important awareness builder for larger energy efficiency projects.	PSCo will continue this offering.
17 Continue to support a heating advisory board in Colorado, including actively recruiting new members to the board and scheduling regular meetings (semiannually or prior to major program design changes). Program staff has already begun this process and are scheduling semi-annual meetings.	PSCo will continue this offering.
18 Pursue developing simple PSCo-branded return-on-investment or energy savings calculators for use by HVAC contractors. This idea could first be vetted to the Heating Advisory Board for their input.	PSCo currently offers a return-on-investment online tool and is currently evaluating an energy savings calculator tool that may be implemented for use by HVAC contractors.
19 Investigate allowing HVAC contractors to enter into cooperative advertising campaigns with PSCo.	Due to the negative effect of low gas prices and negative cost effectiveness of cooperative advertising in Colorado, PSCo does not intend to implement cooperative advertising campaigns at this time, however will consider further evaluation and possible implementation.
20 Continue proactive HVAC vendor outreach and expand opportunities to engage vendors as feasible and relevant to the program.	PSCo will continue this effort.
21 Continue developing materials to effectively convey rebate amounts and how rebates are determined.	PSCo will continue this effort.
22 Continue to streamline the application process.	PSCo will continue this effort.

23 Continue the effective marketing of PSCo programs.	PSCo will continue this effort.
24 There are no recommendations specific to improving participant and contractor satisfaction.	PSCo agrees with this statement.
25 There are no recommendations to address overall satisfaction with PSCo among program participants.	PSCo agrees with this statement.