

➤ **Low Income Single Family Weatherization 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 Low Income Single Family Weatherization Product in 2011.

Public Service proposes to make the changes outlined in Table 1 to the technical assumptions. These changes are based on the results from the comprehensive program evaluation report, finalized February 2, 2012. 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. These changes are outlined in Table 2 of this notice.

Table 1 – Updated Technical Assumptions:

Evaluation Recommendation:	PSCo Implementation Plan:
<p>Consider adding measures to the program such as hot water measures (showerheads, faucet aerators) and air sealing measures.</p>	<p>PSCo added the following additional measures, water heaters, storm windows, crawl space insulation, and attic insulation for mobile homes. The Company completed the evaluation of new measures and they are deemed cost effective for the program, and will be incorporated. Showerheads and faucet aerators are already part of the Low Income portfolio in which these same customers that qualify for the Single Family Weatherization receive an energy savings kit.</p>
<p>Consider expanding the insulation options that qualify for the program. Currently, to participate in the program customers cannot have existing wall insulation, which rules out customers who have very low levels of insulation.</p>	<p>PSCo evaluated additional insulation measures such as mobile home attic insulation, crawl space insulation for both single family and mobile homes, and further evaluating the pre-existing conditions for wall insulation. The Company completed the evaluation of new measures and they are deemed cost effective for the program and will be incorporated.</p>
<p>Consider including additional AFUE levels for furnaces. In our interviews with the agencies, they mentioned that the</p>	<p>PSCo researched additional lower AFUE models for the furnace along with propensity of this issue to better understand the overall</p>

<p>program approved model (of 92 AFUE) sometimes does not fit in the participants' homes, and thus a smaller model might be advised in these cases.</p>	<p>impact of making this change to the program. The Company worked with CEO and both parties agreed with the new smaller higher efficient furnace now available for mobile homes, this is no longer a need.</p>
<p>Consider whether or not to base the cost-effectiveness of measures on more precise climate zone weather data. There could be further efficiency gains with heightened collaboration between local, state, and federal agencies.</p>	<p>This recommendation is a consideration for the CEO and the DOE software, NEAT/MHEA, that is used to determine if a measure is cost effective for a particular home. The CEO has commented that they will consider programming the software to use more precise climate zone weather data specific to the mountain regions.</p>
<p>For homes with fewer sockets than the maximum CFL bulbs allowed, consider providing a one-for one CFL replacement and have the contractor invoice per bulb based on the individual home/mobile home socket count. Consider updating assumptions where more current supporting data are available.</p>	<p>PSCo has agreed to make this change. The program will rebate the CFL measure on a per bulb basis. This will address customers will fewer or more than 16 sockets.</p>
<p>Consider home type as a component of savings achieved through gas measures. Currently, deemed savings are for site-built homes only. Twenty percent of the residences we visited during the verification site visits were mobile homes. The savings achieved through gas measures for site-built homes are up to 68 percent greater than the gas savings achieved for the same measures in mobile homes.</p>	<p>PSCo will incorporate this recommendation into the program. The technical assumptions will be adjusted to include the mobile home type.</p>
<p>Consider climate as a component of savings achieved for insulation and high-efficiency furnace measures. Currently, Xcel Energy uses a singular value for all program measures in all locations. This is appropriate for refrigerators and CFLs, but may not be the best approach for insulation and furnace measures. The current deemed value is specific to the Denver metro area. Xcel Energy can achieve greater accuracy and savings by using climate-specific deemed savings.</p>	<p>PSCo will incorporate climate as a component of savings achieved.</p>

Table 2: Marketing Process Improvements and Methods of Streamlining

Evaluation Recommendation:	PSCo Implementation Plan:
<p>Continue to use a third-party implementer to run the program, whether the CEO or a Community Action Program (CAP). Because there are multiple program actors dispersed around the state, use of a third-party implementer has proven to be an effective method of streamlining the program delivery for Xcel Energy.</p>	<p>PSCo will continue to contract with a third-party implementer to run the program. PSCo has extended the program contact with CEO through 2013.</p>
<p>Consider incorporating a cost-effective automated quality assurance process in the audit software, which would save stakeholder time addressing data discrepancies after the audits have taken place.</p> <p>Should Xcel Energy continue to work with the CEO as an implementer, and should the CEO continue to make frequent policy changes, consider working with the CEO to create a solution for on-the-ground field staff compliance such as a monthly update document or conference call describing any new changes</p>	<p>PSCo will explore this idea with program implementer, CEO.</p> <p>The CEO is not currently making frequent policy changes. In the event that the program goes through a series of policy changes, PSCo will work with the CEO to create a monthly communication channel.</p>
<p>Consider working with implementers to ensure that they mention Xcel Energy as the program sponsor when they are on-site speaking with customers (if it is important that customers are able to identify Xcel Energy as a program sponsor).</p>	<p>PSCo is continuing to find new ways to incorporate the PSCo program sponsorship into the program. The company has identified a new way to connect with the customer through a thank you letter that will be directly mailed to the customer after the completion of their weatherization services. This letter will notify our customers that we sponsored their free improvements they received in the home.</p>
<p>Consider working to expand the participation of renters in the program by working with multifamily buildings and landlord/tenant agreements.</p>	<p>PSCo currently offers a Low Income multifamily weatherization program that offers weatherization services. PSCo can do additional outreach to ensure the weatherization agencies are referring multifamily buildings in need to the program.</p>

<p>Consider conducting some quality control visits. Presently, some customers have expressed concerns regarding the quality of furnace and insulation installations in particular.</p>	<p>The quality control issues will be addressed partially with all installation contractors receiving BPI certification. PSCo will work with the CEO to explore some additional ways to increase the quality assurance and test-outs of work performed.</p>
<p>Consider collecting the square footage and home type for electric-only homes, as this information is already being collected for gas and combined homes.</p>	<p>PSCo currently collects square footage and home type of electric-only homes and will continue to do so.</p>
<p>Consider increasing training standards for installers. Cadmus found that 35 percent of program ceiling insulation did not meet the final requirement of R-38.</p>	<p>The training standard for installers has been increased. Installers are required to become BPI (Building Performance Institute) Certified which trains contractors on the workforce standards and how to properly install measures in the home.</p>