

## ➤ Self Direct Product – 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 Self Direct Product in 2011.

The evaluation report, which was finalized on December 21, 2011 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>

Recommendation	Response
1. Continue the Self-Direct Custom Efficiency program in the PSCo Energy Business DSM Portfolio.	PSCo will offer the Self Direct product in 2012 and 2013 per the approved Colorado DSM Plan.
2. Continue increased incentive for customers to conduct project M&V.	The \$525/kW or \$0.10/kWh saved incentive will remain in effect in 2012 and 2013.
3. Evaluate eligibility requirements in the context of the program's desired role in the business portfolio. The program's current eligibility restrictions are appropriate if PSCo Energy wishes to limit participation in the program to only their largest business customers. If interested in encouraging broader participation in the program, consider making eligibility requirements less restrictive. Two options worth consideration are lowering the current annual energy consumption and/or demand requirements and basing eligibility on project savings potential instead of consumption. The program should evaluate the feasibility, benefits, and costs of these options, keeping in mind customer demand for program offerings and the cost-effectiveness of the projects and the program's desired role in achieving portfolio goals.	The intent of this product is to encourage participation by customers who have the resources and expertise to implement their own projects. PSCo offers a full range of products for all sizes of customers and does not intend to relax eligibility requirements at this time.
4. Continue to leverage account manager relationships to identify project opportunities and inform customers about program offerings and requirements.	PSCo markets appropriate programs through the account management team and will continue to do so.

<p>5. Expand outreach to ESCOs and performance contractors in Colorado informing them about program offerings and requirements. Once increased participation numbers permit, conduct additional research in the future to quantitatively assess the extent of free-ridership in the program. If a substantial amount of free-ridership exists (40 percent or more are free-riders), consider instituting a higher minimum payback threshold for rebating projects (e.g., over a two year payback without the rebate.)</p>	<p>PSCo will expand its outreach efforts to ESCO's, performance contractors and engineering consultants by contacting them to participate in Self Direct presentations PSCo agrees with this recommendation.</p>
<p>6. Continue internal management processes that encourage individual programs working together to achieve portfolio goals.</p>	<p>PSCo agrees with this recommendation.</p>
<p>7. Continue to evaluate the Self-Direct Custom Efficiency program's role in the Business portfolio to inform the most appropriate impact targets, outreach strategies, and incentives.</p>	<p>PSCo will continue to evaluate the program goals in relation to the broader DSM portfolio.</p>
<p>8. Continue the internal implementation of the program by experienced program, engineering and account management staff as an effective strategy for targeting and serving the eligible customer population and types of projects.</p>	<p>PSCo will continue this practice.</p>
<p>9. Continue information dissemination to customers and vendors regarding the program application process and requirements.</p>	<p>PSCo will continue this practice.</p>
<p>10. Provide additional information to prospective customers and vendors on the program's expectations for M&amp;V plans, including a detailed inventory of the types of information and documentation needed for approval.</p>	<p>PSCo agrees with this recommendation and will evaluate tools to better communicate this process.</p>
<p>11. Explore ways to help interested customers find vendors who are capable of performing M&amp;V requirements. One suggestion worth consideration is providing a link on the program webpage to the Colorado Governor's Energy Office's listing of approved energy service providers (Service Provider Database). Another idea is providing a listing of vendors who have been involved with a project successfully completed through the program.</p>	<p>PSCo will explore providing links to the Colorado Governor's Energy Office's listing of approved energy service providers (Service Provider Database).</p>
<p>12. Continue to evaluate the accessibility of TRC assumptions and examine whether calculations can be made more transparent to vendors at the project proposal stage.</p>	<p>PSCo will offer training to ESCOs, engineering consultants and performance contractors to provide a better understanding of the TRC</p>

<p>Consider reaching out to interested vendors to understand specifically what information or calculations would be most useful to them and ideas for improving the TRC calculator.</p>	<p>model.</p>
<p>13. Continue program M&amp;V requirements that help ensure the expected energy savings are resulting from projects.</p>	<p>PSCo agrees with this recommendation.</p>
<p>14. Clearly define the process for rebate notification and communicating any changes to the estimated project rebate. Encourage account managers to communicate status updates to customers (and vendors, if appropriate).</p>	<p>PSCo will refine internal project notification processes to account managers, vendors and customers regarding, any changes to rebate notification, changes to the rebate amount and project status.</p>