

## ➤ **Summary of 60-Day Notice: Home Energy Squad**

Public Service Company of Colorado (“the Company”) posts this 60-Day Notice to update the Home Energy Squad product’s technical assumptions in the 2015/16 DSM Plan to include two measures inadvertently omitted from the product’s Deemed Savings sheet, to clarify the electric energy savings calculation methodology for CFL and LED bulbs and change the core service offering for electric measures.

### Edits to the Deemed Savings Sheet

The Company unintentionally omitted two measures from the Deemed Savings sheet for the product:

1. Gas water heater temperature setback, available as part of the core service, and
2. Power control timers for TVs & electronic accessories, available a la carte for customer purchase.

These measures were correctly accounted for in the product write-up and the technical assumptions forecast.

The company would like to add Value LED bulbs while still offering premium, ENERGY STAR LED bulbs under the a la carte measures.

### Methodology for Bulb Savings Calculation

The Company proposes to modify the energy savings calculation that is used in the Home Energy Squad product to account for the fact that the baseline bulb type and wattage can be captured through this product. Energy savings will be claimed based on actual, observed bulb replacements. The original calculation mirrored the calculation used in the Home Lighting & Recycling product which cannot account for the baseline bulb type.

The Company does not believe these changes will make a material difference and therefore is proposing no update in the energy savings forecast for 2016.

All changes are intended to be effective on the implementation date of the 60 Day Notice. Included with this Notice, is the following document:

- Revised Home Energy Squad Deemed Savings

These documents can be found on our website at the following link:

[http://www.xcelenergy.com/Company/Rates\\_&\\_Regulations/Filings/Colorado\\_Demand-Side\\_Management](http://www.xcelenergy.com/Company/Rates_&_Regulations/Filings/Colorado_Demand-Side_Management)

## ➤ Home Energy Squad®

### A. Description

The Home Energy Squad product offers installation services and discounted equipment costs to customers who seek to improve their homes' energy efficiency, increase their comfort, and lower their utility bills. The Company seeks to expand the market for Home Energy Squad based on a successful track record implementing the product in other jurisdictions.

The Home Energy Squad product installs a number of moderate-impact, low-cost measures for combination gas and electric, and electric-only, customers. The product seeks to assist customers in overcoming barriers related to making energy improvements. Such barriers include confusion on which products are right for their home, product cost and payback, and finding qualified installers.

The main product offerings include:

- Electric conservation measures:
  - Compact fluorescent light (CFL) bulbs or Value LED bulbs of various wattages
  - Installation of new, or temperature setback of existing, programmable thermostat (primarily leading to cooling electric savings in summer months)
- Electric conservation measures, available for customer purchase
  - Premium, ENERGY STAR rated LED bulbs or fixtures of various wattages
  - Power control timers for TVs & electronic accessories
- Gas conservation measures:
  - High efficiency showerheads
  - Low flow sink aerators
  - Installation of new, or temperature setback of existing, programmable thermostat (primarily leading to natural gas heating savings in winter months)
  - Weather-stripping of one external door
  - Insulation blanket for hot water heater
  - Temperature assessment and setback of water heater
- Gas conservation measures, available for customer purchase
  - Weather-stripping of an additional door
  - Installation of second programmable thermostat

This product offers the delivery and installation of energy conservation measures bundled within one package with flat pricing. The price covers the cost of the measures; Xcel Energy pays for the labor. Customers also can purchase additional measures that are priced individually.

### B. Targets, Participants & Budgets

#### Targets and Participants

The product participation and savings targets were developed based on Colorado residential market size and experience with similar products in Xcel Energy's other jurisdictions.

### Budgets

Budgets were determined by evaluating vendor cost estimates and potential participation levels in Colorado, and historical product expenses in other Xcel Energy jurisdictions. Spending for advertising, promotion and outreach generate awareness, interest and participation in targeted areas. Primary budget drivers are:

- *Administration* – program administration costs for third-party implementation and the installation of energy efficient measures in customers' homes.
- *Advertising and Promotion* – print, radio, broadcast, direct mail, interactive media and event promotion.

## **C. Application Process**

During an in-home visit, the Home Energy Squad technician will work directly with customers to determine which energy-saving measures will make their home more energy efficient. Customers pay a trip charge ~~(in the range of \$75–\$125)~~ and receive a suite of energy-saving items such as CFL bulbs, Value LEDs, high efficiency showerheads and aerators, etc. The installation labor and materials are included in the trip charge, and therefore they immediately begin saving energy and money. The Home Energy Squad trade partner reports the removal of existing lighting equipment and installation of energy-saving measures to the Company, and, therefore, the customer does not need to submit a post-project rebate application.

## **D. Marketing Objectives & Strategies**

This product, and its approach to direct installation of measures in residential customer homes, is new to the Colorado market. Therefore initial marketing objectives will be focused on building awareness and product interest, and driving initial customer participation.

Marketing strategies and tactics will include mass media advertising, online interactive, email, neighborhood canvassing, telemarketing, local-market advertising and special promotions. Participating trade partners will also be an important means to building product awareness, referrals and participation. Customers who have completed a Home Energy Audit but have not taken action on the recommendations may be a good fit for cross promotion of Home Energy Squad's energy-saving measures and services.

## **E. Product-Specific Policies**

A Home Energy Squad participant must be a combination gas and electric, or electric-only, customer. Initially the Company may target more-concentrated neighborhoods in the Denver Front Range area until proof of concept is achieved. PSCo will connect customers with participating contractors to begin the product engagement.

The Company will share technical assumptions with other residential products such as ~~Home Lighting & Recycling and the~~ Energy Efficient Showerhead product to consistently report measure costs and energy savings.

## **F. Stakeholder Involvement**

The Company will partner with its existing array of customer and trade stakeholders regarding program design and introduction, awareness building and ongoing product feedback. This may include partnering with other gas utilities where PSCo is the electric-only provider.

## **G. Rebates & Incentives**

A customer co-pay, ~~in the range~~ of \$75 ~~to \$125~~, will be required to receive the direct-installed energy-saving items such as compact fluorescent light bulbs or value light emitting diode bulbs, high efficiency showerheads, etc. This process differs from most prescriptive rebate programs where the customer submits a rebate application after equipment is installed and operational. Home Energy Squad trade partners will report the removed and installed measures to the Company, and the customer does not need to submit a post-project rebate application.