Notification Date: April 12, 2022

> Summary of 60-Day Notice: Energy Star New Homes

Public Service Company of Colorado ("the Company") posts this 60-Day Notice to make changes to the Energy Star New Homes product in response to the 2021 Comprehensive Evaluation.

The evaluation provided key findings in the areas of Net-to-Gross Ratio ("NTGR") for the product, expanding market capitalization, HERS rater compensation, marketing, high performance housing, and beneficial electrification. The Company will implement the following recommendations in 2022:

- Update the NTGR for the product to 73%;
- Provide targeted trainings to large-volume builders targeted to non-participating builders outside of front range communities;
- Addition of tiered HERS rater incentives to encourage Raters to influence builders to build higher performance homes;
- Develop targeted marketing materials for homeowners;
- Consider creating an alternative offering based on high-performance building certifications to improve product influence among participating builders;
- Add heat pump water heaters as a prescriptive measure for all-electric homes at the same incentive levels as for combination gas & electric homes

In addition to implementing the above recommendations from the 2021 evaluation, the Company is also making the following modifications to the product:

- Participating homes will be required to use modeling software that complies with ANSI 301-2019, and
- The Company is adding an incentive table for performance better than IECC 2021 in response to jurisdictions adopting updated energy codes.

Table 1: Summary of Forecasted Impacts: Energy Star New Homes

| | 2022 | |
|--------------------------------|-------------|-----------------------|
| | As Filed | Revised per 60-day |
| Electric Savings (kWh) | 10,361,702 | 8,844,080 |
| Electric Demand Reduction (kW) | 2,716 | 1,933 |
| Budget* | \$2,255,349 | \$2,413,158 |
| MTRC Test Ratio | 1.13 | 1.08 |
| Gas Savings (Dth) | 154,836 | 138,984 |
| Budget* | \$1,770,053 | \$1,992,430 |
| MTRC Test Ratio | 1.01 | 0.96 |

^{*}Rebates only. While the anticipated expenditure impacts are forecasted, the Company acknowledges that this Notice does not change the filed budget.

Detailed responses to each of the Comprehensive Evaluation recommendations can be found in the matrix included with the report.

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Included with this Notice are the following documents:

- Redlined Product Write-up;
- Redlined Deemed Savings worksheet;
- Redlined Technical Assumptions worksheets; and
- Updated cost-benefit analyses.

These documents can be found on our website at the following link: http://www.xcelenergy.com/Company/Rates & Regulations/Filings/Colorado Demand-Side_Management