

➤ Home Performance with ENERGY STAR®

A. Description

The Home Performance with ENERGY STAR (HPwES) product is targeted toward existing single-family homes in need of multiple energy efficiency improvements. By providing these customers with rebate incentives, Public Service is able to incorporate a bundled, whole home approach to energy efficiency. To participate in the product, customers must be combination electric and gas customers or have electric-resistance heat.

Home Performance was developed using principles from the nationally recognized ENERGY STAR® “Home Performance with ENERGY STAR” product.¹ The concept of the product is to provide the customer with one-stop for all of their home efficiency needs. This comprehensive approach requires an energy audit as a prerequisite which is then used to generate a list of recommendations. The contractor, who may also be the auditor, reviews the recommended improvements and completes the work. Some projects may receive an independent verification of the improvements after completion if a Quality Control Inspection (QC) is performed. The contractor and homeowner may also request advice on recommended upgrades and rebates from the Energy Advising service offered through the Home Energy Audit product. Since this product requires an audit and deeper engagement from the customer, AMI interval data would greatly enhance the conversation and allow auditors to give customers an even better analysis of the energy usage within their home.

Trade partner companies interested in performing installations must have a technician on staff that is currently certified in one of the following:

- Building Performance Institute (BPI) Building Analyst;
- BPI Envelope;
- BPI Heating;
- BPI Residential Building Envelope Whole House Air Leakage Control Installer or Crew Chief;
- Quality Control Inspector (QCI);
- Advanced Energy Auditor; or
- North American Technician Excellence (NATE) Gas Heating plus approved Combustion Appliance Zone (CAZ) training, NATE AC or NATE ASHP or GSHP certification (with the exception of evaporative cooling and water heaters, which don't require a certified contractor).

Each trade partner company must have one technician in each certification area that they are participating in. A technician's certification may not be used by another trade partner company to meet the program requirements. Additionally, trade contractors must complete the appropriate Home Performance contractor training depending on the services they offer.

¹ Learn more about EPA's Home Performance with ENERGY STAR:
https://www.energystar.gov/index.cfm?fuseaction=hpwes_profiles.showSplash&s=footer

These trainings provide contractors with information on the product components, process, and diagnostic testing required as part of the efficient measure installations. All participating contractors must sign the corresponding contractor agreement before providing installations for participants in the product. A random sample of 10% of the contractor's jobs will be inspected and verified. Once contractors have completed all necessary trainings and signed the agreement, they will be included on the approved contractor list, which is included in the customer packets and on the Company's website.²

B. Targets, Participants & Budgets

Targets and Participants

The product targets were developed based on the 2017 product results and the Company's forecasted assumptions for increased participation as the Company works to streamline the HPwES process throughout 2019.

Budgets

The budget for this product is based on the 2016 and 2017 expenditures and includes costs for third-party implementation, software, measurement and verification inspections, and minimal product promotion. Trade incentive rebates are also budgeted for cooling and attic insulation measures.

C. Application Process

Customers interested in participating in HPwES must first complete a Home Energy Audit with blower door test. The auditor will provide information on the Home Performance product during the audit, tying the specific product requirements into the audit recommendations. The customer may then sign up for Home Performance through their auditor at the time of the audit or any time thereafter using the online signup form.

Once a customer has signed up for the product, they have one year to complete the required equipment installs and work with their contractor to submit their application. If they complete this, they may then complete optional equipment installs over the next three years and still receive the higher Home Performance rebates.

The Home Performance product information, approved contractor list, and signup form are on the Company's website.³ Customers can only receive applications through their registered and approved contractor. Customers may also contact the Residential Customer Care center (1-800-895-4999) to request product information or guidance on how to obtain rebates.

² www.xcelenergy.com/cotrades

³ www.xcelenergy.com/homerebates

D. Marketing Objectives & Strategies

Public Service will provide product information through the website, and implement low-cost marketing tactics when available. The Company will also provide Home Performance information to the Customer Education team to promote at several “green” community events throughout the year. Trade partners may also be incentivized to identify participants that may not be aware of the “whole house option” through Home Performance.

Other products such as the Company’s Home Energy Audit product and Enhanced Home Energy Squad offering will offer information on Home Performance. Public Service will monitor product participation on a monthly basis and implement additional marketing tactics if necessary to achieve the year-end target.

In addition, Public Service will attempt to utilize the trade partners who have been trained and contracted to deliver this product to customers. This is viewed as the most important marketing channel for building awareness and participation in the product. As a result, Public Service is offering incentives to participating installation contractors designed to increase the number of projects performed. These incentives provide contractors with additional motivation to promote the Home Performance product.

E. Product-Specific Policies

The HPwES product leverages the Company’s Home Energy Audit offering, requiring an advanced in-home blower door audit as a prerequisite to product participation. Customers are eligible for a Home Energy Audit every two years. Public Service will provide the customer a list of contractors participating in the product; however, the Company does not guarantee the contractor’s expertise or warrant any of the products or services, nor is one contractor promoted over another. Public Service shall have no liability for contractor work or negligence. After the customer completes the audit and meets the product eligibility requirements, the customer may sign up to participate in Home Performance.

If the customer’s audit recommends air sealing or attic insulation, these upgrades, plus one Supplemental Upgrade, become pre-requisites for Home Performance participation. Supplemental upgrades require the customer to provide proof of purchase, such as a receipt, on one of the following items: LED bulbs or water saving faucet aerators and/or shower heads. Customers who have participated in the Company’s Home Energy Squad or Showerheads product will be considered to have met the Supplemental Upgrade requirements. Several equipment rebates, including the required air sealing and insulation measures, are higher under the HPwES product to encourage customers to do more bundled upgrades. To receive the higher rebates, the customer must complete any required air sealing or insulation within one year of signing up for the product. If completed, the customer may then complete optional improvements

and receive the higher HPwES rebates for three years after their original signup date.⁴ The Company will not rebate pre-existing efficient equipment.

F. Stakeholder Involvement

Public Service periodically meets with the Cities of Boulder, Fort Collins, Greeley, and Colorado Springs, the Center for Resource Conservation, the Platte River Valley Authority, the Colorado Energy Office, the U.S. Environmental Protection Agency, the U.S. Department of Energy, Electric & Gas Industries Association, and the Energy Efficiency Business Coalition (EEBC) for product feedback. The Company plans to continue meeting with these organizations, and other stakeholders, for feedback to improve the product.

Additionally, Public Service is an active member of Affordable Comfort, Inc. (ACI)—a leading educational resource for the Home Performance industry; and has an active partnership with the BPI — a national standards development and credentialing organization for residential energy efficiency retrofit work.

G. Rebates & Incentives

Home Performance product rebates are prescriptive and based on the specific measures installed. Rebate levels are higher for Home Performance participants compared to rebates offered for the same measures in the Company’s related DSM products. This offset is to encourage customers to pursue whole-home, bundled improvements instead of individual upgrades. The rebate levels are provided in the following table.

Rebates for Home Performance Measures

Home Improvement Measures	Prescriptive Rebates			
<p align="center">Top Three Required Improvements (If listed as a recommendation in the customer’s audit report)</p>	<p align="center">Rebate for Natural Gas Heated Home w/o Cooling</p>	<p align="center">Rebate for Natural Gas Heated, AC Cooled Home</p>	<p align="center">Rebate for Electric Resistance- Heated Homes</p>	
Attic Insulation* (30% up to cap)	\$400	\$600	\$700	
Air Sealing, Bypass Sealing & Weather-stripping* (60% up to cap. See insulation application for tier-level requirements)	Bottom Tier	\$250	\$400	\$450
	Top Tier	\$325	\$500	\$550
<p>Supplemental Upgrades (choose one)*</p> <ul style="list-style-type: none"> -Home Energy Squad -LED bulbs -Water saving showerheads or aerators 	<p>Visit Xcelenergystore.com for instant rebates on LED bulbs, water savings measures or to sign up for the Home Energy Squad**</p>			

⁴ Qualifying equipment is subject to change and customer must participate under current programs rules designated by the current year in which the install the additional measures.

Optional Improvements	Rebate for Natural Gas Heated Home w/o Cooling	Rebate for Natural Gas Heated, AC Cooled Home	Rebate for Electric Resistance-Heated Homes
Wall Insulation (above grade)	\$400	\$600	\$700
Evaporative Cooling – Standard System-cooler (1st)- (non-replacement)			\$325 <u>\$425</u>
Evaporative Cooling – Standard System-cooler (Replacement)			\$225
Evaporative Cooling – Premium System-cooler (1st)- (non-replacement)			\$725 <u>\$825</u>
Evaporative Cooling – Premium System-cooler (Replacement)			\$625
Evaporative Cooling – Multi-ducted premium – non-replacement			\$1200
Evaporative Cooling – Multi-ducted premium - replacement			\$625
Standard efficiency AC/ASHP with QI (under 15 SEER and 12.5 EER)			\$400
High efficiency AC/ASHP with QI (15 SEER, 12.5 EER)			\$600
Ground Source Heat Pump - Min. 3.3 COP and 14.1 EER			\$300 per ton
Electric Heat Pump Water Heater			\$550
Programmable Set Back Thermostat			\$25 <u>\$35</u>
95% AFUE or higher High Efficiency Furnace			\$200 <u>\$300</u>
Electronically Commutated Motor EC motor with AC			\$125
EC motor without AC			\$80
Tankless Water Heater .87 UEF or higher			\$200
Water Heater .64 UEF or higher 0.64 UEF + natural gas storage water heater (medium draw)			\$100
0.68 UEF + natural gas storage water heater (high draw)			<u>\$100</u>
ENERGY STAR Refrigerator/Primary			<u>\$15</u>
ENERGY STAR Clothes Washer			\$30
ENERGY STAR Smart Thermostat			\$50

*These measures must be completed in order to participate in Home Performance with ENERGY STAR unless auditor rules the home exempt meaning the air-sealing and/or attic insulation is sufficient from an energy efficiency perspective.

**Instant rebates on LED bulbs can also be found at participating retailers