

➤ **Summary of 60-Day Notice: School Bus Electrification**

The following 60-Day Notice summarizes Public Service Company of Colorado's ("Public Service" or "the Company") action to update stakeholders of the Company's development of a school bus electrification program ("Program") as part of the Partnerships, Research and Innovation ("PRI") Portfolio within the Company's 2021-2023 Transportation Electrification Plan ("TEP") as approved by the Colorado Public Utilities Commission ("Commission") through Decision No. C21-0017, in Proceeding No. 20A-0204E.

The Company is including with this 60-day Notice:

- School Bus Electrification Program Terms and Conditions

A copy of this 60-Day Notice will be available on our website at:

https://www.xcelenergy.com/company/rates_and_regulations/filings/transportation_electrification_plan

School Bus Electrification Program

In Decision No. C21-0017, the Commission approved the Company's proposed Partnerships, Research and Innovation portfolio. The objective of the PRI portfolio is to ease the process for customers to access electricity as a transportation fuel, minimize system costs, increase environmental benefits for charging, and help inform future Company TEPs. As a part of this portfolio, Public Service proposed, and the Commission approved, to direct \$2.2 million in proceeds from the Company's sale of renewable energy credits ("REC") and carbon offsets to fund a school bus electrification program.

Through this 60-Day Notice, Public Service is providing a description of the school bus electrification program, the scoring considerations developed to review and evaluate submitted applications, and the metrics that Public Service will report on and provide to stakeholders through its semi-annual TEP reporting requirement. To inform this proposal, the Company conducted several individual stakeholder meetings to present draft school bus electrification program designs and gather input and hosted two Transportation Electrification Plan Stakeholder Group meetings on April 27, 2021 and June 23, 2021.

➤ **School Bus Electrification**

A. Program Description

As a part of the PRI Portfolio within the TEP, approved through Decision No. C21-0017, the Company received approval to direct \$2.2 million in proceeds from RECs and carbon offsets to fund the School Bus Electrification initiative. As such, funding to support this effort will not be recovered through the Commission-approved Transportation Electrification Programs Adjustment (“TEPA”) rider but instead will use a combination of net proceeds from the historic sale of RECs and carbon offsets. Due to the nature of this unique funding source, Public Service will not earn a return on the grants awarded through this Program.

An electric school bus currently costs approximately three times that of a diesel bus (\$350,000 for an electric bus versus \$120,000 for a diesel bus) and also requires investment in charging equipment and potential infrastructure upgrades to accommodate vehicle charging. These added costs present a significant barrier to adoption as evidenced by the fact that only a single electric school bus currently operates in Colorado.¹ This proposed Program, in conjunction with the TEP’s Fleet Advisory Services, will work to decrease this cost barrier and provide educational support to increase the number of electric school buses operating in Colorado and help school districts experiment and test the use cases of electric school buses, to potentially support higher demand for electric school buses in the future. The \$2.2 million in funding will be dedicated to grants paid directly to school districts and school bus operators to electrify their school bus fleet. Customers receiving funds must (1) be a public K-12 school district within the Company’s service territory or a bus operator serving one of these districts and (2) intend to charge the school bus more than fifty percent of the time at a valid address within the Company’s service territory.

Equity considerations will be weighted heavily in distribution of these funds, as highlighted in the sections describing outreach plans and applicant scoring below. As proposed in the TEP, the school bus electrification program is part of the larger PRI portfolio, which has an overall goal of directing 30 percent of its budget to help increase access to transportation electrification and augment benefits to income-qualified customers and Higher-Emissions Communities as defined by the Company’s 60-day Notice issued on May 3, 2021. The Company hopes to direct a substantial portion of the \$2.2 million to support these communities, school districts, and school bus routes.

Customers will apply for funds through the Company’s open application process and provide project and site details as well as cost estimates. The program will cover 75 percent of eligible costs or \$275,000 per bus, whichever value is lower. This cap was determined based on anticipated upfront costs and operating expenses of both electric and diesel school buses. When accounting for the incremental cost of an electric bus, charging equipment, infrastructure upgrades, and lower operating costs, the Company believes that a \$275,000 grant will provide the funding necessary to make the electric school bus purchase cost competitive with a diesel purchase over the lifetime of the bus. Discussions with school districts and fleet operators confirmed that this is an acceptable

¹ <https://www.bvsvd.org/about/news/news-article/~board/district-news/post/were-charged-up-about-our-new-electric-school-bus>

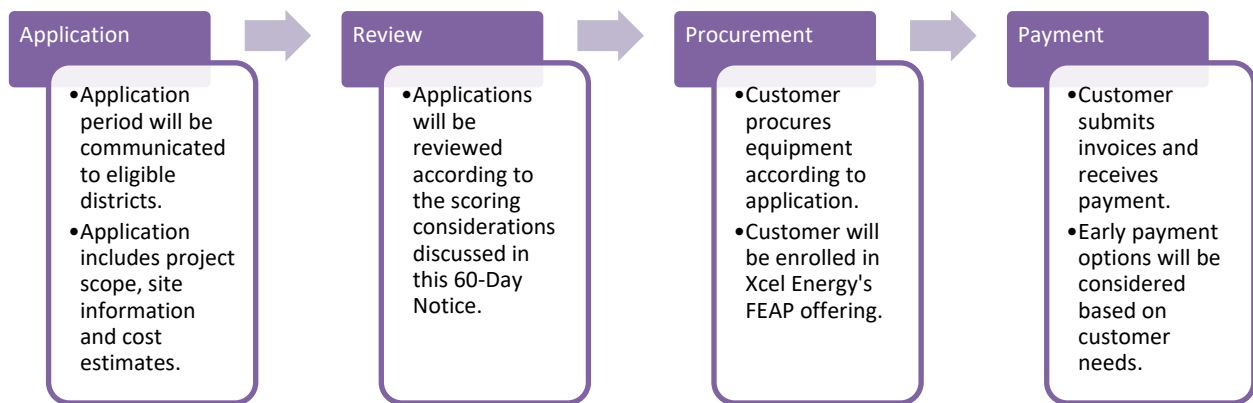
dollar value to drive program participation. Grant levels and program design elements were determined in coordination with the existing Alt Fuels Colorado school bus grant program administered by the Regional Air Quality Council (“RAQC”) and Colorado Energy Office (“CEO”). Ongoing coordination between the Company, the RAQC, and CEO will be crucial to ensure effective customer education as well as efficient and equitable distribution of funds.

Costs eligible for this grant funding include the bus itself, the charging equipment and any necessary infrastructure upgrades the project requires. Applicants will be asked to provide site information, project plans that identify vendors for both charging equipment and the bus, along with estimated project costs and funds requested. Application assistance will be made available to customers through the Company’s outreach efforts described in the below section. The applications will be reviewed and scored according to the considerations outlined in this 60-Day Notice. Successful applicants will be notified of their grant funding amount at which point they can proceed to procure their bus and charging equipment according to their application. Upon grant approval, the Customer will be enrolled in the Company’s Fleet Electrification Advisory Program (“FEAP”). Through FEAP, the Customer will receive advisory services including telematics data and reports such as vehicle miles traveled, state of charge, charging analysis and recommendations, Total Cost of Ownership “TCO”), and greenhouse gas reduction calculations. In addition, through FEAP, customers will have quarterly project meetings with the Company’s staff to ensure that the project is meeting expectations once the site is electrified and the bus(es) are in service. More information on the FEAP program can be found at:

www.xcelenergy.com/fleetevs.

Once the bus and charger have been purchased and installed, the customer will submit relevant invoices to the Company which will be reimbursed according to the grant approval process below.

Figure 1: Grant Approval Process



B. Outreach and Education Efforts

The Company will educate and recruit participants through the following methods:

- Posting program information on the Company’s website.

- Directing outreach to school districts and bus operators with a focus on income qualified and Higher Emissions Communities.
- Providing information via email to Company Account Management teams, partner organizations and vendors that can be forwarded/shared with interested customers.
 - A webinar presented by Company staff prior to application launch will take place upon completion of the 60-Day Notice process and will be made available to all Public Service customers.
- Conducting presentations to relevant organizations including but not limited to:
 - FleetPro (fleet management association in Colorado)
 - Clean Cities Coalition (Department of Energy local alternative fuel programs)
 - Colorado Association of School Board Executives
 - Internal groups of Company representatives such as Account Management and Community Relations

Prior to launching the Program, the Company will release the application, using the communication strategies listed above, to allow applicants the opportunity to plan and develop the content needed for a successful award. During the Company-led webinar, the Company will walk prospective participants through the process for applying and reviewing applications and will explain the Company's considerations for evaluating applications. The Company plans to record the webinar and make it available on its website.

Additionally, as part of the broader TEP implementation plan, the Company has created an Electric Vehicle Program Intake form for commercial customers interested in electric vehicle programs, which is currently available on the Company's website.² This intake form requests customers to provide the Company with contact information, project interests and what EV program the Customer has an interest in exploring. The intake form as submitted by the customer will be reviewed by Company staff, and a member of the team supporting the program identified by the customer will contact the customer to begin working through project ideas. The School Bus Electrification Program will be one of the programs identified on the Electric Vehicle Program Intake form. The Electric Vehicle Program Intake form is designed to advance equitable opportunities regardless of customer resource availability by assigning a Company advisor early in the project.

C. Application Scoring Considerations

Using standard grant application release and review practices that center on near term projects and also provide advice and support to developing projects, the Company expects to score the applications using the following considerations:

- Project scope of work and readiness
- Impacts (in descending order of scoring weight)
 - Whether the charging and operation of the bus(es) will take place in Higher Emissions Communities.

² <https://co.my.xcelenergy.com/s/business/ev/interest>

- Whether the school district has a higher percentage of students receiving Colorado Nutrition Assistance than the statewide average.
 - The estimated number of students served annually.
 - The expected annual vehicle miles traveled of service.
 - The expected kilowatt-hour (“kWh”) of charging annually.
- Project budget and a description of expected funding sources
- Willingness to consider additional partnerships, funding opportunities and research initiatives

Applicants will receive support from the Company throughout their application development, with the goal of making the application experience accessible to all school districts to ensure equitable opportunities for participation.

Applications will be reviewed by a Company team of electric vehicle experts from the following areas:

- Electric Vehicle Initiatives
- Electrical Distribution
- Planning
- Design
- Account Management
- Product Development

The Company will coordinate with external organizations such as RAQC and CEO throughout the application review process to ensure coordination between programs and that funds are distributed equitably. The Company will review the application scoring process with these organizations prior to implementation to solicit feedback on scoring considerations.

D. Reporting and Evaluation

As part of the Company’s semi-annual reporting for TEP programs, the Company proposes to track and report on the following metrics regarding participation in the proposed school bus electrification program:

- Project costs and impacts of grant funding
- Vehicle miles traveled
- Estimated consumption of electricity (kWh) resulting from electric bus charging
- Estimated level of demand (kilowatts) resulting from electric bus charging
- Estimates for the amount of energy sold to program participants during on-peak and off-peak time periods
- Geographic distribution of program participants
- Emissions reductions of both carbon dioxide and nitrogen oxides resulting from the Program
- Customer survey data

The Company also proposes to include the proposed school bus electrification program in the list of TEP programs that a third-party vendor will help evaluate on an ongoing basis.

E. Stakeholder Involvement

During the development of the proposed school bus electrification program, the Company engaged numerous stakeholders to gather feedback and refine its approach. The table below summarizes stakeholder involvement:

Table 1: Stakeholder Involvement

Stakeholder Group	Meeting Date
Colorado FleetPros Association	4/2/2021
Regional Air Quality Council	4/15/2021, 4/22/2021
Colorado Energy Office	4/22/2021
Transportation Electrification Plan Stakeholder Group ³	4/27/2021, 6/23/2021
Energy Outreach Colorado, Grid Alternatives	5/11/2021
City of Denver	5/13/2021
Public school districts in Colorado (Boulder Valley School District, Denver Public Schools, Adams County School District 12)	6/8/2021

The Company also relied on recent discussions with school districts and school bus operators in other jurisdictions to inform the proposed program design. Through these meetings, stakeholders provided feedback and input into the process and application review considerations. Several aspects of the Company's approach were influenced or came directly from these conversations, including outreach plans, rebate levels, vehicle to grid requirements and ongoing support.

³ The TEP Stakeholder Group includes dozens of organizations spanning Colorado state government agencies, Colorado municipalities, environmental advocates, energy efficiency and electrification groups, other utilities, EV charging hardware and software providers, automobile manufacturers and dealerships, community groups, and many others. Over 100 individuals participated in the TEP Stakeholder Group meeting on April 27, 2021, and nearly 100 participated in the TEP Stakeholder Group meeting on June 23, 2021.