Posting Date: May 3, 2021

➢ Summary of 60-Day Notice: Identifying Higher Emissions Communities

The following 60-Day Notice summarizes Public Service Company of Colorado's ("Public Service" or "the Company") action to update Parties of the Company's development of the methodology for identifying higher emissions communities that would be eligible for enhanced incentives under certain commercial and multifamily housing programs within the Company's 2021-2023 Transportation Electrification Plan ("TEP"). This methodology results in an initial list of specific communities identified via census block data through the Colorado Department of Public Health and Environment's Climate Equity Framework. This 60- Day Notice is issued in compliance with Decision No. C21-0017 in Proceeding No. 20A-0204E.

The Company is including with this Notice:

- A map file for use with the U.S. Environmental Protection Agency's EJ Screen mapping tool.

A copy of this notice will be available on our website at:
https://www.xcelenergy.com/company/rates_and_regulations/filings/transportation_electrification_plan

Identification of Higher Emissions Communities

In Decision No. C21-0017, the Commission approved the Company's proposal to work with stakeholders to determine a methodology to be used to identify higher emissions communities ("HECs") and recognized the Climate Equity Framework developed by the Colorado Department of Public Health and Environment ("CDPHE") as an appropriate means of identifying these communities. Public Service is employing the beta version of the Climate Equity Data Viewer tool created as a part of CDPHE's Climate Equity Framework to help in this effort.

Additionally, Public Service has developed an application process for projects that are not within an identified HEC census block but may be experiencing a disproportionate environmental burden within their community. The Company conducted several individual meetings with stakeholders to present the approach, receive input, and further refine the methodology. The Company also presented the developed methodology and the identified census blocks to stakeholders at a TEP Stakeholder meeting held on April 27, 2021. As approved in Commission Decision No. C21-0017, the Company will dedicate a minimum of 15 percent of the total 2021-2023 TEP budget, 15 percent of the Advisory Services portfolio budget, and 30 percent of the Research, Innovation, and Partnerships portfolio budget to support income-qualified customers and HECs. By identifying these HECs, it allows for certain projects within the Company's Multifamily Housing and Commercial portfolios that take place within these identified communities to become eligible for enhanced rebates. The Commission recognized this process as a critical step towards achieving the equity mandates of Senate Bill 19-077 ("SB 19-077").

Table 1: Census blocks identified by county in the Company's service territory

County	# of Census Block that are Higher Emissions Communities
Adams	40
Arapahoe	14
Denver	56
Jefferson	9
Logan	4
Mesa	2
Rio Grande	6
Saguache	1
Weld	34

➢ Higher Emissions Communities

A. Description

In approving the Company's TEP, the Colorado Public Utilities Commission ("Commission") has authorized Public Service to offer a wide range of electric vehicle ("EV") programs designed to increase access to EVs for income-qualified communities and populations. This objective is highlighted in SB 19-077, C.R.S. § 40-5-107.

Public Service will dedicate at least 15 percent of the total 2021-2023 TEP budget, 15 percent of the Advisory Services portfolio budget, and 30 percent of the Research, Innovation, and Partnerships portfolio budget to support income-qualified customers and communities and HECs, and the Commission has approved these commitments.[1] Public Service's Residential, Multifamily Housing and Commercial portfolios offer enhanced rebates to customers and communities that meet certain criteria that identify them as an underserved population. Table 2 highlights these rebate programs with eligibility criteria.

Table 2: Summary of Rebates for Income-Qualified Populations and Higher Emissions Communities

(Note: Programs offering enhanced incentives to higher emissions communities are bolded)

Program	Rebate	Criteria for Participation
Residential Income-Qualified Rebate	Wiring and charger: $1,300	• Enrolled in SNAP or TANF • Enrolled in LEAP, CO WAP, DSM income qualified participation, CARE • Income below 60 percent of state median or below 200 percent of federal poverty or below 80 percent of area median
EV Purchase & Lease Rebate	New EV: $5,500 Used EV: $3,000	• Enrolled in SNAP or TANF • Enrolled in LEAP, CO WAP, DSM income qualified participation, CARE • Income below 60 percent of state median or below 200 percent of federal poverty or below 80 percent of area median
Multifamily Housing – Income Qualified Rebate	$2,000/charger	• Participated in affordable housing weatherization, multifamily weatherization, affordable house rebate program in last five years or currently meet income qualification requirements for those programs • Located in a **higher emissions community**

[1] See Commission Decision No. C21-0017 p. 40

Commercial Fleet & Workplace – Income Qualified Rebate	$2,200 - $45,000	• Demonstrate that organization is non-profit eligible to participate in Xcel Energy non-profit efficiency programs • Public organization that provides services to income qualified customers or communities • Located in a **higher emissions community**
Community Charging Hubs – Income-Qualified Rebate	Up to $15,000 for L2 and up to $45,000 for DC	• Located in a census block where 50 percent or more of households have incomes at or below 80 percent of area median income • Located in a **higher emissions community**

Through the TEP proceeding, the Company and stakeholders proposed, and the Commission approved, the use of a broad range of eligibility criteria in order to be as inclusive as possible with these EV programs, and several of these programs offer enhanced support to "Higher Emissions Communities" .

The identification of HECs through this Notice attempts to target the **"**communities most [e]ffected by emissions from the transportation sector," prioritized for special consideration and support in TEPs through Senate Bill 19-077.[2] To identify HECs, the Commission decision adopted the processes set forth in the Partial Settlement Agreement filed on November 13, 2020, which contemplates at least one stakeholder meeting concerning this topic and recommends the use, if available, of the CDPHE's Climate Equity Framework. Under the Partial Settlement Agreement provisions adopted by the Commission through Decision No. C21-0017 (mailed January 11, 2021), Public Service is required to issue a 60-day notice within 60 days of the effective date of the Commission's final decision in Proceeding No. 20A-0204E, which is Decision No. C21-0117 (mailed March 2, 2021).

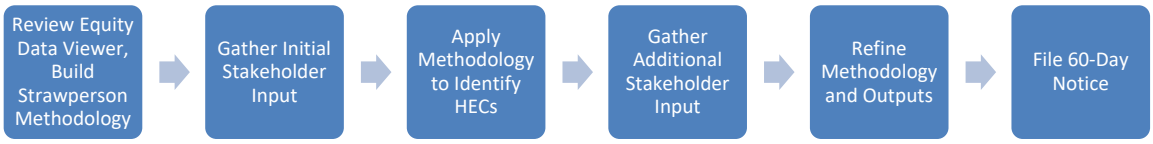
The narrative that follows describes the approach the Company followed to develop its methodology for identifying HECs, the Company's proposed definition of HECs, the list of HECs based on the initial implementation of the methodology, and an ongoing process for adapting the methodology based on new information or unforeseen factors.

The Company's Approach to Developing the HEC Methodology

Considering the legislative and procedural history and requirements related to HECs, the Company has designed and carried out a consultative process to develop its HEC identification methodology, gather input, and build flexibility to allow for future changes to the methodology. Figure 1 describes the process the Company has followed.

[2] C.R.S. § 40-5-107.

Figure 1: Company Process for Identifying HECs



To initiate its work in this area, the Company reviewed the CDPHE's Climate Equity Framework draft and, more specifically, the Climate Equity Data Viewer tool. This tool is designed to visualize data to inform communities, government, and other stakeholders on how different environmental burdens are borne across Colorado. The tool draws on data from the Environmental Protection Agency's Environmental Justice Screening and Mapping Tool ("EJSCREEN Tool"). Upon reviewing the CDPHE tool and better understanding its strengths and weaknesses, the Company hosted initial conversations with a small group of stakeholders to take input on how this tool could be used.

Following these initial conversations, the Company further developed its methodology and began conducting analysis using the data in the Climate Equity Data Viewer. This analysis allowed the Company to identify census blocks that could be selected as HECs. With these census blocks identified, the Company conducted additional outreach to stakeholders through a formal stakeholder meeting and additional informal sessions with stakeholders. All through the process, the Company listened closely to stakeholders and incorporated input it has received. The "Stakeholder Involvement" section lists each stakeholder meeting and describes any salient elements from these meetings that were incorporated into the Company's proposed methodology.

The Proposed HEC Identification Methodology

In order to identify HECs, the Company believes it is necessary to more clearly define HECs to supplement what has already been offered through the Decision. The Company proposes that an HEC should have two attributes:

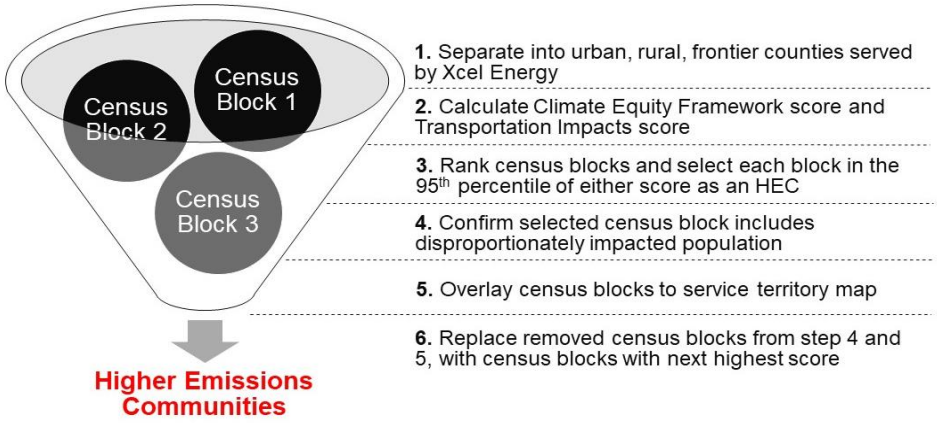
1. The people that live in the community face an environmental burden that may be caused by transportation emissions and/or other environmental burdens; and
2. The people that are affected belong to a disproportionately impacted population, identified by one or more of the following attributes[3]:
    a. Income qualified; or
    b. Minority status; or
    c. History of environmental racism (e.g., through redlining, anti-indigenous, anti-immigrant, anti-hispanic, or anti-black laws); or
    d. Multiple factors exist together that when combined create an enhanced vulnerability to environmental burdens.

[3] The list of attributes incorporates the structure described in current legislation related to environmental justice that is being considered by the Colorado legislature, HB21-1266.

The Company proposes to use this definition to guide the identification of HECs through two mechanisms: 1. Analysis using CDPHE's Climate Equity Data Viewer or 2. Application process for projects not identified through the first mechanism.

First, the Company will use the Climate Equity Data Viewer to identify census blocks in its service territory that are HECs. The process for using the Climate Equity Data Viewer is summarized in Figure 2.

Figure 2: Analysis Steps for Using the CDPHE Climate Equity Data Viewer



- Step 1: The first step in the process is to separate out counties in the Company's service territory into rural, frontier, and urban counties. CDPHE defines "Urban" communities as those areas with 50,000 people or more or clusters of at least 2,500 and less than 50,000. "Frontier" communities are those areas with six or fewer people per square mile that typically reside at the edges of the state. And "Rural" includes communities not identified as urban or frontier.[4] By segmenting counties, the Company can ensure that communities in various types of population categories will be selected. The Company uses designations already provided for within the tool to perform this segmentation. Without this segmentation, the tool primarily identifies communities in the Denver Metropolitan area as HECs.
- Step 2: The second step is to calculate the Transportation Impacts score and gather the Climate Equity Framework score. To calculate the Transportation Impacts score, the Company multiplies "Transportation Proximity" by "Population Characteristic." Transportation Proximity is a percentile ranking for count of vehicles ("AADT", average annual daily traffic) at major roads within 500 meters, divided by distance in meters. The Company has used this metric as a proxy for transportation emissions. Population Characteristic incorporates numerous factors from the data set including population under four years old and over 65 years old, cancer risk, respiratory hazard risk, percent minority, percent low-income, linguistic isolation, and less than high school education. The tool already calculates the Population Characteristic, and the Company uses this calculated

[4] CDPHE defines these terms within the Climate Equity Data Viewer (https://storymaps.arcgis.com/stories/be558ce8cb1f49f98a18d35d36d8156b).

value. The tool has also already calculated the Climate Equity Framework score, which is meant to be an all-encompassing value that considers total environmental burden and population risk factors. The Climate Equity Framework score is calculated by multiplying "Pollution Burden" by Population Characteristic. The Pollution Burden is a metric that incorporates several different types of pollution and pollution related aspects including superfund proximity, wastewater discharge proximity, transportation storage and disposal facility ("TSDF") proximity, risk management plan, diesel particulate, traffic proximity, ozone, PM 2.5 and lead paint. The Company proposes to utilize either score to identify HECs.[5]

- Step 3: The third step is to rank order each census block by their Transportation Impacts score and separately by their Climate Equity Framework score. Using this rank order, the Company calculates the score at the 95th percentile and any census block with either a Transportation Impacts score or Climate Equity Framework score equal to or above that is selected as an HEC, subject to the additional steps detailed below.
- Step 4: Using the list of potential HECs identified in Step 3, the Company reviews the Population Characteristic for each census block and removes any HEC that has a Population Characteristic that is not in the 80th percentile for its location type (i.e., urban census blocks are only compared against urban census blocks). Given that Transportation Impact scores are the product of Transportation Proximity and Population Characteristic ranks, there is the potential that certain identified communities might have high scores for Transportation Impact but might not have particularly at-risk or underserved populations. This result could occur if a community scored high enough on Transportation Proximity to outweigh a lower score on Population Characteristics, meaning that a community was heavily impacted but less underserved on other aspects. By adding this step of ensuring census blocks have a Population Characteristic that is at least in the 80th percentile, the Company believes it is more likely that the selected census block meets the criteria described in the definition for disproportionately impacted communities. If a census block is removed based on this criterion, the Company replaces it with the community with the next highest Transportation Impact or Climate Equity score that has a Population Characteristic in the 80th percentile.
- Step 5: The Company takes the proposed list of HECs and overlays these census blocks with a map of its service territory. This step is necessary to remove any census block that the Company does not serve. Similar to Step 4, if a census block is removed because it is not in the Company's service territory, it will be replaced by the census block that has the next highest Transportation Impacts or Climate Equity Framework score.

Second, the Company will use an application process to allow for projects that are not in an identified HEC to make the case that they are in fact located in an HEC even though they were not identified by the Climate Equity Data Viewer. The Company believes this added flexibility is appropriate because there may be valid cases that meet the definition and intent of an HEC, but for which the tool is not well-suited to identify. For example, an area and population may face a disproportionate environmental burden that is not characterized in the specific metrics the Climate Equity Data Viewer utilizes or there may be an island within a larger census block that faces a

[5] For additional information regarding Population Characteristic, Pollution Burden, Traffic Proximity or other variables used in the Climate Equity Data Viewer, see https://storymaps.arcgis.com/stories/be558ce8cb1f49f98a18d35d36d8156b.

disproportionate burden, but is surrounded by a community that does not have similar population characteristics, thereby lowering its Transportation Impacts or Climate Equity Framework score below the 95th percentile. The Company's expectation is that the application pathway will drive a small number of projects seeking HEC treatment each quarterly application period.

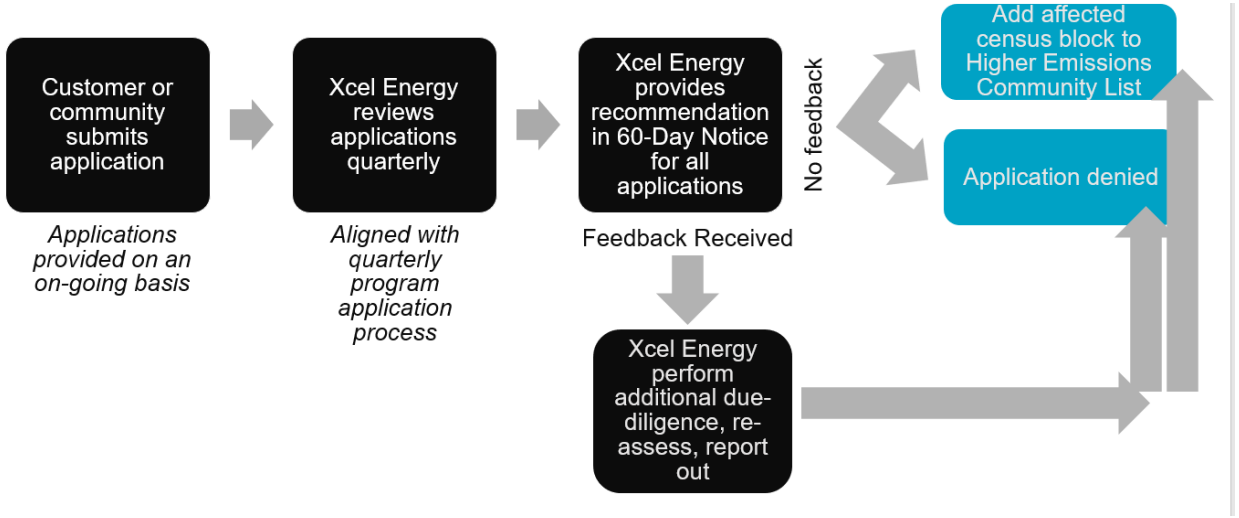
In order to apply for HEC designation, a project applicant must complete an application that will be available on the Company's website. The Company proposes the application will include the following questions and will be offered on the website in Spanish and English and the applicant may compose their application in Spanish or English:

1. Identify the location of the potential project you believe is in an HEC.
2. Describe the environmental burden(s) that affect the population in or around this location. The description may be up to one (1) page and the applicant may include additional pages of pictures or other visuals that may help describe the environmental burden.
3. Identify the population that bears a disproportionate environmental impact in this location. Applicant should select relevant attributes from the definition for disproportionately impacted populations. After selecting the applicable population segment that meets this definition, the applicant should further describe the prominence of the attribute or provide other details that explain their selection. The applicant may use data or provide stories or other anecdotes to substantiate their claim.
4. Applicant should describe how the project that will utilize enhanced EV rebates will benefit the disproportionately impacted population described in question 3.

The Company will review applications at the end of each quarterly application period, to correspond to when projects are reviewed for other multifamily housing and commercial TEP programs. The review will focus on confirming that the applicants' claims in response to questions two and three above are accurate by finding data, communicating with relevant non-profit groups, or engaging directly with community members, or using other qualitative and quantitative methods. The Company will also validate the applicant's claims in response to question four by considering whether the project increases EV access for disproportionately impacted populations or provides another related benefit to these populations (e.g., reduces noise pollution by electrifying fleets adjacent to locations with a high density of disproportionately impacted residents).

Within 45 days of the deadline for quarterly applications, the Company proposes to file a 60-Day Notice with its recommendation to either accept or reject an application as an HEC and the logic supporting its recommendation. In response to any stakeholder feedback, the Company would consider such feedback and adjust its recommendations as appropriate. Figure 3 summarizes the process for reviewing and recommending an HEC application.

Figure 3: Process for Review and Recommending HEC Applications



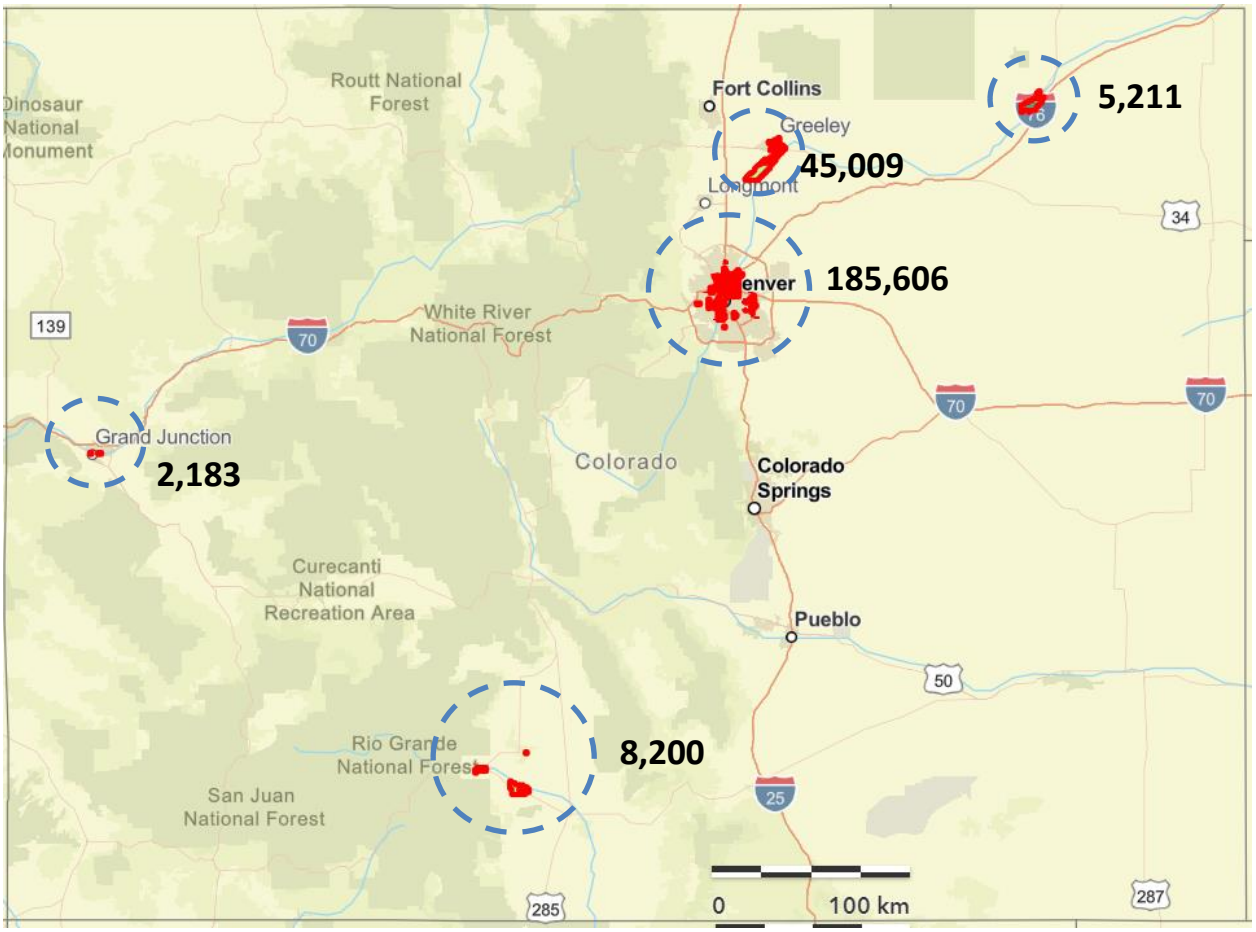
HEC Communities

Using the Climate Equity Data Viewer, and implementing the methodology described above, the Company proposes that the following census blocks are HECs. The Company has not yet comprehensively evaluated these census blocks against its service territory maps, so there may be small revisions to the list as it performs this final step in the methodology. To allow stakeholders to visualize the proposed HECs, the Company has made available a file that can be loaded into EJSCREEN.[6]

[6] Sessions_Updated HEC.json

Statewide View of HECs

The map below identifies locations across the state where the Company has identified HECs. The red outlines and dots mark HEC locations, which are clustered in five areas across the state: Grand Junction, Rio Grande and Saguache counties, the Denver metro area, Greeley, and Sterling. The bolded numbers represent the total population in the identified HECs.[7]



[7] Population figures of each census block are from EPA's EJSCREEN.

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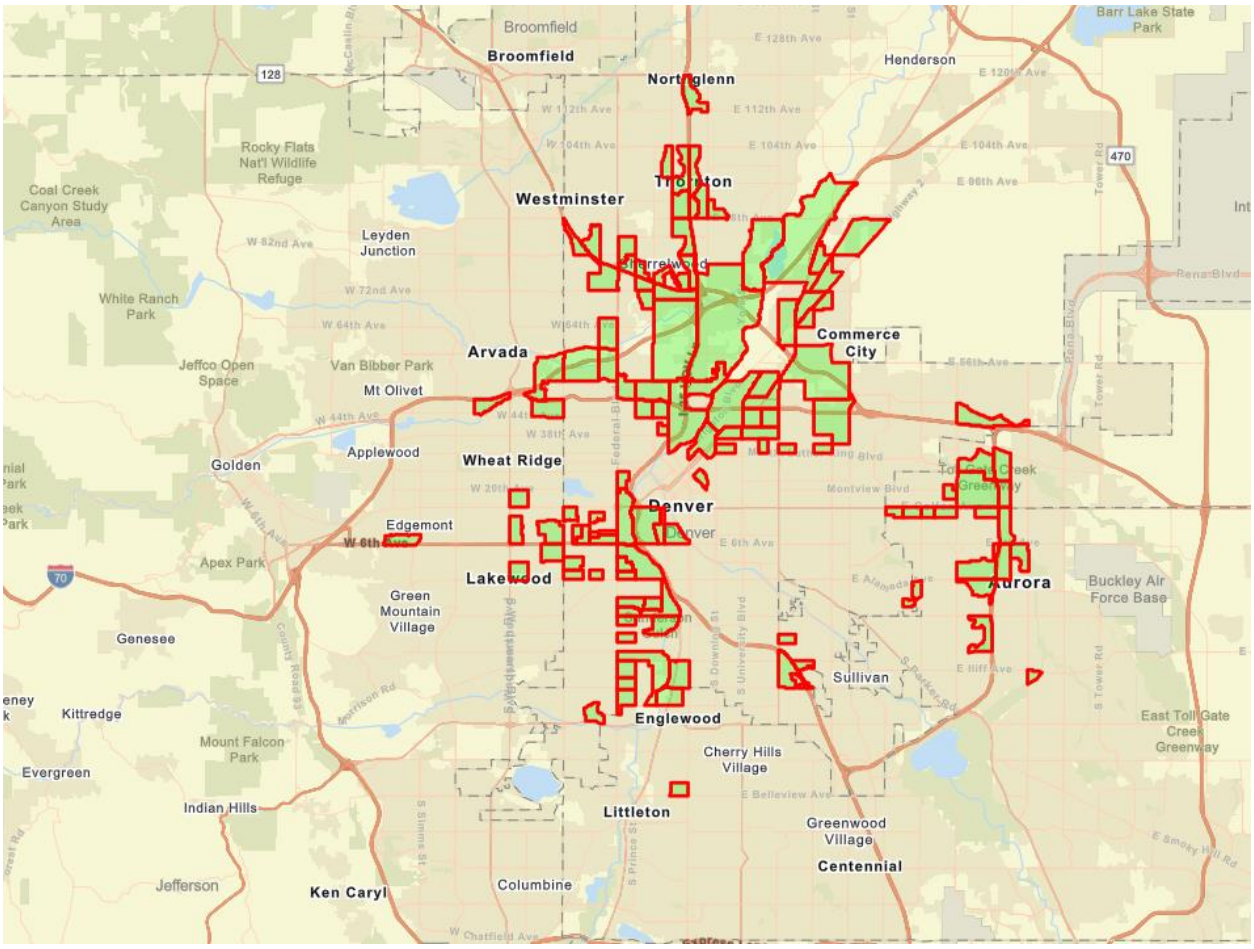
Urban HECs

The majority of HECs in the state are found in the Denver metro area, as highlighted below. HECs tend to cluster around highway corridors.



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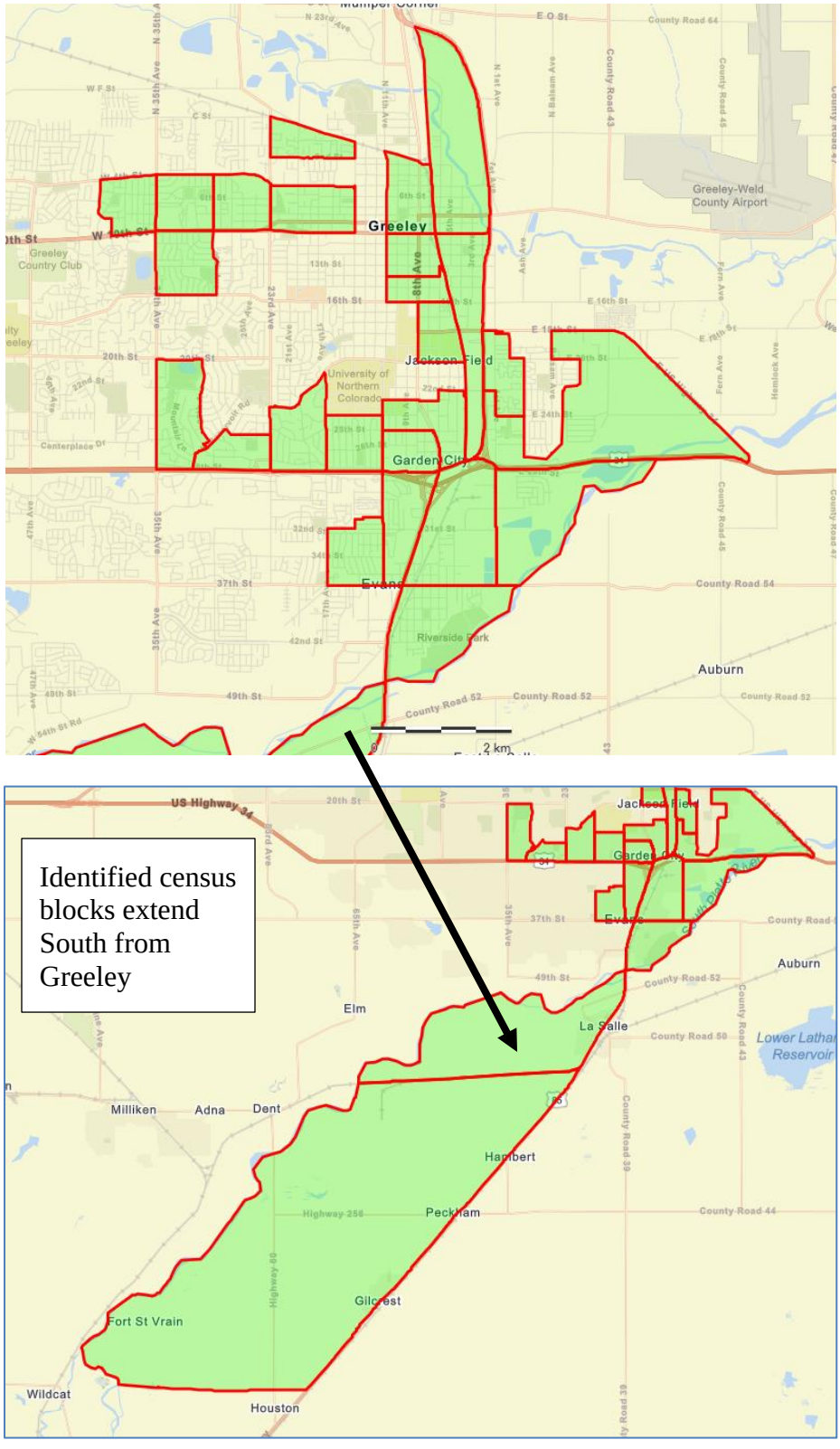
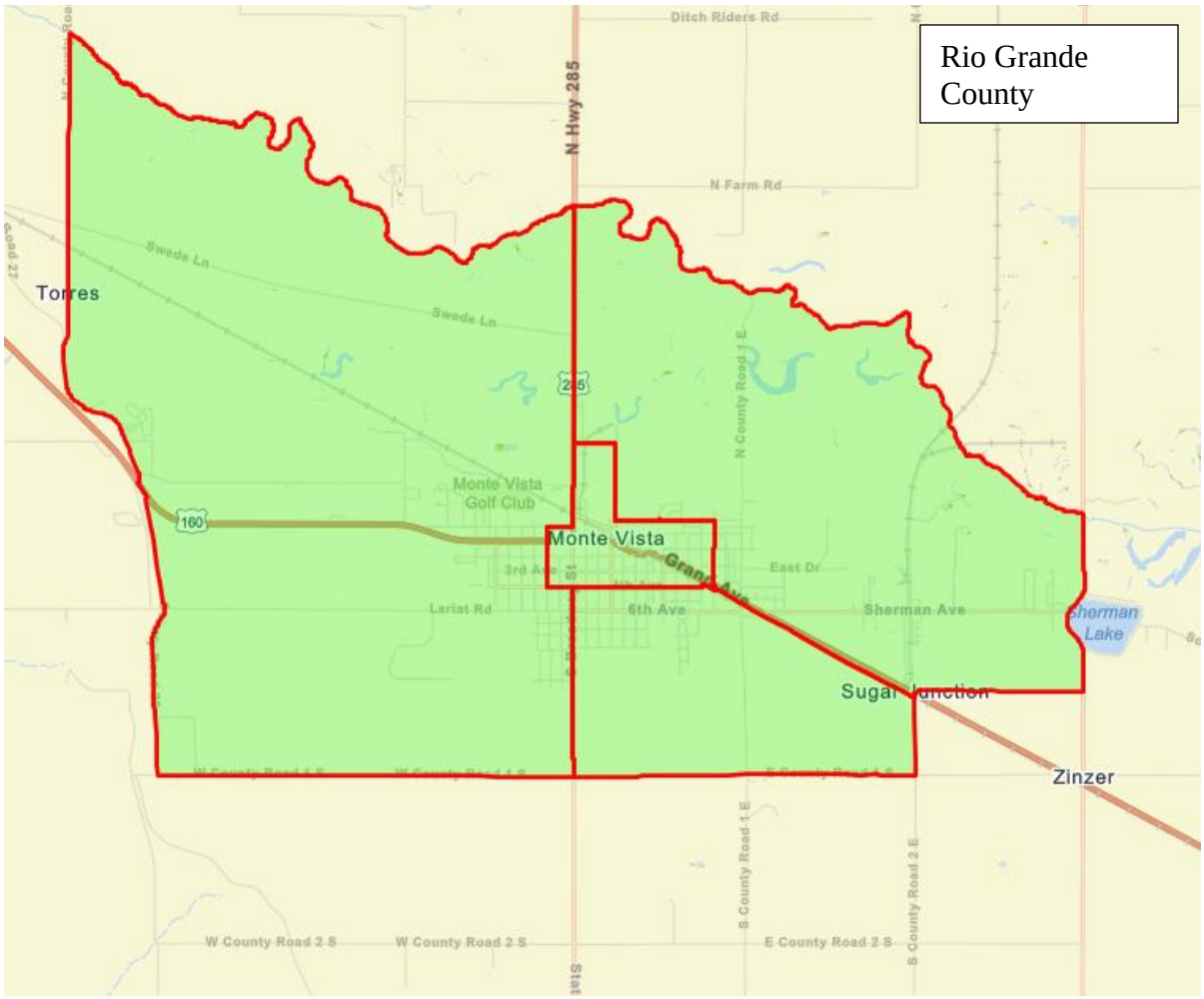
Rural HECs

The Company's methodology has identified rural HECs in Mesa and Weld county. The majority of HEC census blocks are found in Weld County, centering around Greeley.


Greeley
Greeley-Weld County Airport
Greeley Country Club
Jackson Field
University of Northern Colorado
Garden City
Evans
Riverside Park
Auburn
2 km
Identified census blocks extend South from Greeley
US Highway 34
Elm
La Salle
Milliken
Adna
Dent
Hambert
Peckham
Gilcrest
Fort St Vrain
Wildcat
Houston

Frontier HECs

The Company's methodology has identified frontier HECs in Rio Grande, Saguache, and Logan counties, as shown below.



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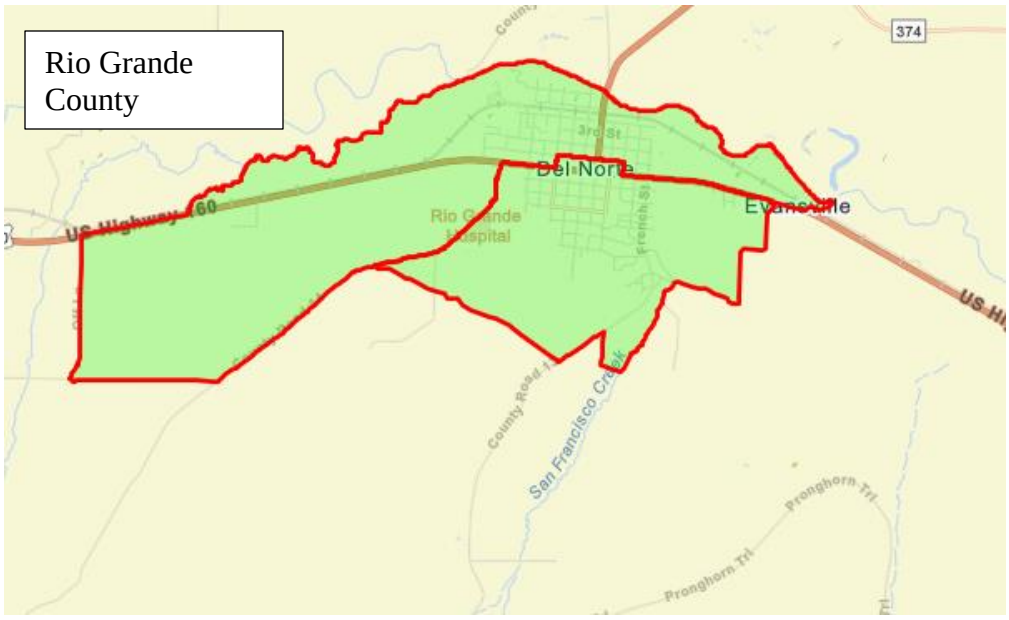

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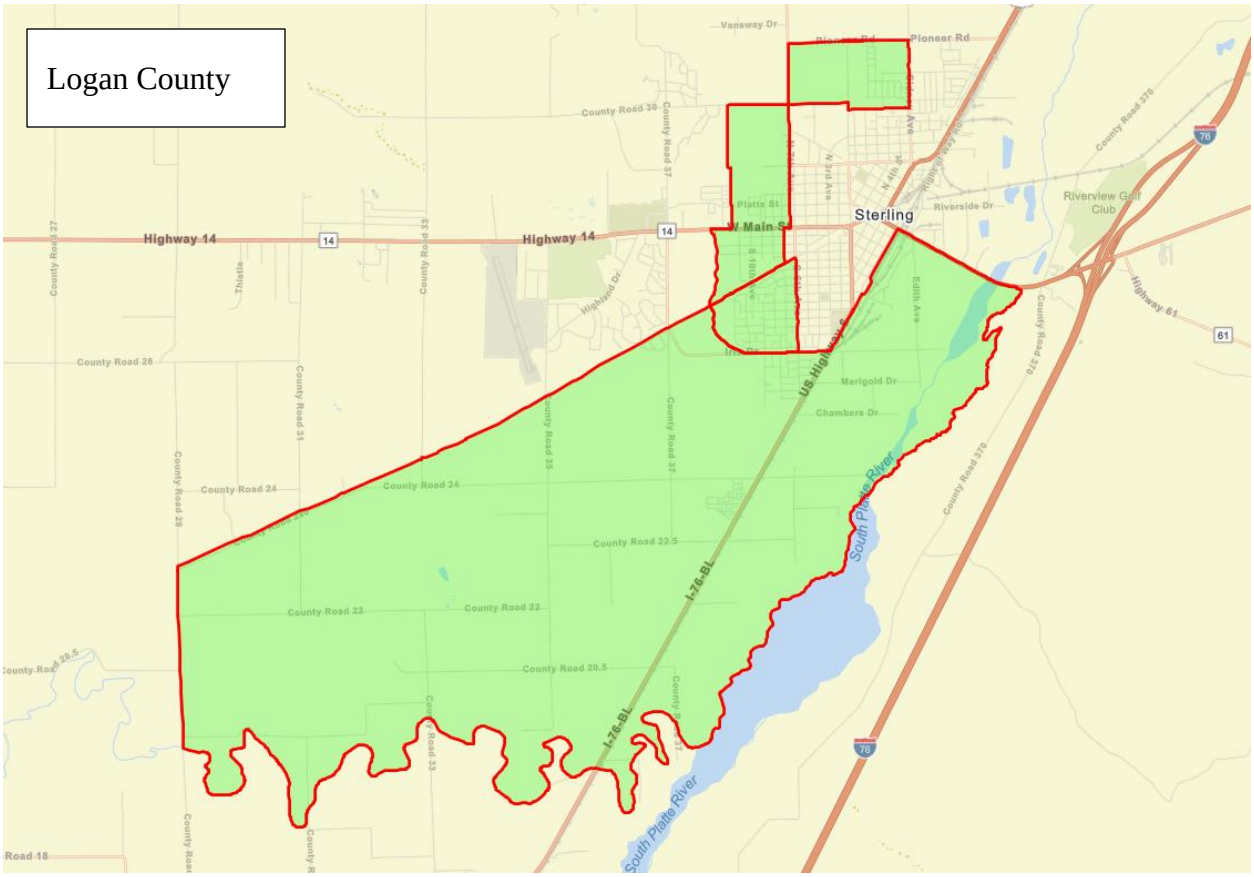

Adapting the HEC Methodology in the Future

The Company expects that the launch of TEP programs that utilize its HEC designation will help it better understand if the proposed HEC list is attracting the types of projects that meet the intent of the HEC designation and is driving targeted project volumes. In addition, during the TEP implementation period, the Company expects that stakeholders will gather additional data, perform new analyses, and develop new tools that could be used to bolster the Company's HEC methodology. For example, the Colorado Energy Office ("CEO") is launching an EV Equity study that may create a new tool to understand geographic challenges related to EV adoption. The Company plans to monitor program performance and external research efforts, such as CEO's study. If the Company identifies information that it believes could improve the HEC methodology or process, the Company will bring changes through the quarterly stakeholder process and ultimately recommend changes in a 60-Day Notice.

B. Stakeholder Involvement

During the development of the methodology and the identification of proposed HECs, the Company engaged numerous stakeholders to gather feedback and refine its approach. The table below summarizes stakeholder involvement:

Table 3: Stakeholder Involvement

Stakeholder Group	Meeting Date
Colorado Energy Office, Energy Outreach Colorado, Grid Alternatives	3/15/2021
Environmental Justice Coalition (Vote Solar, Grid Alternatives, Green Latinos)	3/24/2021
Colorado Department of Public Health and Environment (CDPHE)	3/23/2021, 4/7/2021
Colorado Department of Transportation	4/6/2021
Colorado Electric Vehicle Coalition (Equity subgroup)	4/1/2021
Office of Consumer Counsel, Commission Staff	4/22/2021
Western Resource Advocates	4/15/2021
Colorado Energy Office	4/16/2021
Southwest Energy Efficiency Project	4/16/2021
The Regional Air Quality Council	4/21/2021
Energy Outreach Colorado	4/21/2021

Transportation Electrification Plan Stakeholder Group[8]	4/27/2021

Through these meetings, stakeholders provided feedback and input into the process and methodological approach. Several aspects of the Company's approach were influenced or came directly from these conversations, including:

- Added an application pathway to apply for treatment as an HEC;
- Referenced the definition from HB21-1266 to define disproportionately impacted communities;
- Focused application process on project-level applications as opposed to broader review at the census block or a larger scale;
- Changed analysis using the CDPHE Data Equity Viewer to compare census blocks within rural, frontier, and urban classifications as opposed to all as one group;
- Built-in flexibility to account for the potential to incorporate data and/or lessons learned from future analyses being conducted by other stakeholders after learning of additional stakeholders that are planning to study the issue of EV equity or evaluate EV-related spending using equity-based parameters; and
- Added a transportation proximity score (i.e., Transportation Impacts score) to the analysis, to supplement the use of the Climate Equity Framework score.

[8] 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.