

➤ **Summary of 60-Day Notice: Evaporative Cooling**

The following 60-Day Notice summarizes the Company’s action to update the technical assumptions, deemed savings, product design/delivery, and rebates in the Evaporative Cooling product in response to the 2018 Comprehensive Evaluation.

The Company is including with this Notice:

- Updated Deemed Savings worksheet;
- Updated Technical Assumptions worksheet; and
- Updated product write-up.

A copy of this notice is available on our website at:

[https://www.xcelenergy.com/company/rates\\_and\\_regulations/filings/colorado\\_demand-side\\_management](https://www.xcelenergy.com/company/rates_and_regulations/filings/colorado_demand-side_management)

The evaluation provided key findings in the area of the Net-to-Gross. The Company will implement the following recommendation in 2019:

Net-to-Gross increase

In 2018, a product evaluation was done by a third-party evaluator. Recommendations include modifying the net-to-gross in the following manner:

**Table 1: Net-to-Gross changes**

<u>Measure type</u>	<u>old NTG</u>	<u>new NTG</u>
Standard - replacement	0.52	0.70
Standard - non-replacement	0.70	0.70
Premium - replacement	0.59	0.70
Premium - non-replacement	0.70	0.70
Multi-ducted premium - replacement	1.00	0.70
Multi-ducted premium - non-replacement	1.00	0.90

Tied to the NTG increase are several other recommendations made by the third party evaluator, and accepted by the Company that will be implemented in 2019. The overarching goal of these changes is to grow customers’ use of this highly cost-effective cooling technology. These include increasing customer understanding of how evaporative coolers work, through demonstration; building a retail point-of-purchase “instant rebate” mechanism; prioritizing whole home (i.e. multi-ducted premium) systems and first time installations; and increasing rebates for some first-time (i.e. non-replacement) measures, as shown in Table 2. A resulting benefit of these recommendations is an expectation that customer participation in this product will increase.

**Table 2: Rebate changes**

<b>Measure type</b>	<b>Current</b>	<b>Proposed</b>
Standard - replacement	\$200	\$200
Standard - non-replacement	\$300	\$400
Premium - replacement	\$600	\$600
Premium - non-replacement	\$700	\$800
Multi-ducted premium - replacement	\$1,200	\$600
Multi-ducted premium - non-replacement	\$1,200	\$1,200

The Company is planning over thirty customer events at Colorado retail locations, between April and June, where customers most often are purchasing qualifying evaporative coolers. The Company will educate customers through hands-on demonstration about how the technology works, the superior energy savings, and the rebates available. A third party implementer is being engaged to build the instant rebate mechanism. Prioritization of first-time (i.e. non-replacement) adoption of evaporative coolers, for standard and premium coolers, will be accomplished through increased rebates. Prioritization of whole home coolers, as a means of optimizing market influence, will be accomplished through trade partner education and incentives.

The Company will also accept the other recommendations of the evaluation, as outlined in the evaluation response matrix attached to the 2018 Comprehensive Evaluation. Table 3 highlights the impact of these collective changes:

**Table 3: Summary of Forecasted Impacts: Evaporative Cooling**

	2019	
	<i>As Filed</i>	<i>Revised per 60-day</i>
Electric Savings (kWh)	3,444,940	4,794,765
Electric Demand Reduction (kW)	5,166	6,026
Budget*	\$2,545,418	\$3,342,740
MTRC Test Ratio	3.54	4.44