

➤ Multifamily Weatherization

A. Description

The Multifamily Weatherization product is designed to provide funding for a wide variety of equipment and process improvements for electric and natural gas efficiency measures in income-qualified multifamily buildings. This offering differs from the Single-Family Weatherization product in that these dwellings have common areas, greater overall square footage, more appliances, other potential energy-saving and demand-reduction measures.

The product will be implemented in partnership with Energy Outreach Colorado (“EOC”). EOC works jointly with several government and non-profit partners to identify and qualify multifamily units for participation. Details of measures, rebates, reporting processes, and M&V procedures will be evaluated on a per-project basis using a detailed engineering analysis.

In addition to these measures, customer education is offered with this product. EOC staff provides educational materials, historical energy usage information, and bill analysis to these customers during the weatherization process to help them identify additional changes they can make in their day-to-day lives to further reduce energy use and demand in their building. With the installation of smart meters and the transition to the Time of Use (TOU) rate in Colorado, the Company will work with EOC on bilingual educational efforts regarding the smart meter, new rate, and how customers may save money by shifting electricity use to off-peak hours when rates are the lowest.

B. Targets, Participants & Budgets

Targets and Participants

Participation and energy savings targets were developed by evaluating past project completions and information provided by EOC on anticipated participants. Participation can vary from building to building as many properties are master metered.

Budgets

Historical project costs and participation information were tracked and analyzed to develop a budget estimate. The majority of the budget is allocated to electric and natural gas rebates benefiting tenants in income qualified multifamily buildings. Other external variables contributing to costs, such as outreach, material costs and staffing, were also evaluated.

C. Application Process

To participate in the product, customers must submit an application to EOC. Applications are reviewed by EOC and once approved; a comprehensive audit is performed on the building. Income qualified households must comprise at least 66% of the building’s total households for the building to be eligible to apply. EOC will determine which applicant locations have the greatest need for

weatherization services. In some cases, if the need is very high, the application may be approved for buildings that are occupied by 50% low-income households.

D. Marketing Objectives & Strategies

The overall marketing objective is to increase education among income qualified customers and building owners on the importance of energy efficiency, thereby driving product participation. Public Service will also work to educate customers on the value of taking further actions to improve efficiency in their homes in conjunction with EOC and other low-income customer advocates.

E. Product-Specific Policies

Eligible customers for this product are building owners or property managers of multifamily housing complexes with at least 66% of the rental units occupied by income qualified customers whose income is below 80% of the local area median as defined by the Colorado Housing and Finance Authority. Customers meeting the DOE Weatherization Assistance Program funding guidelines,¹ as determined by the CEO, EOC, local governments, or their agencies, are automatically deemed income eligible.

F. Stakeholder Involvement

When designing the plan, Public Service worked with EOC to determine targets, budgets and participation based on current pipeline and future opportunities. Public Service will continue to evaluate historical projects with EOC to determine measure implementation and needs trending.

G. Rebates & Incentives

The product does not provide a rebate to customers, but rather provides project funding in the form of grants. The estimated average incentive amounts for electric and natural gas energy improvements can be found in [Appendix H: Technical Reference Manual](#).

Public Service will evaluate each project on a custom basis to determine funding levels using a detailed engineering analysis. Engineers review the project information to determine the projected energy savings, demand reduction, benefit/cost ratio and payback. Projects will be bundled in order to pass the MTRC test ratio for the product. Testing, study, engineering and project management fees may be included in the project costs.

The Company will continue the Beneficial Electrification pilot which was implemented in Q1 2022 and designed to fund the full cost of mini-split heat pumps, air source heat pumps, and heat

¹ <http://energy.gov/eere/wipo/where-apply-weatherization-assistance>

pump water heaters. The pilot focuses on expanding participation for these technologies within the Income Qualified portfolio of products. The study will review a portion of completed projects for post-installation bill impacts, identify best practices for minimizing energy burden, and assess various scenarios for heat pump installation. Installation scenarios will include heat pumps with gas back up, full system replacements, heat pumps with electric resistance back up, and heat pumps with boiler back up.

The Company is proposing the structure of a geographic based pilot to test the impact of prequalifying customers based on the physical location of their home. Customers in 1-4 unit homes will automatically qualify for a free tier of services based on inclusion in a pre-defined census tract that has been identified to have residents with a high propensity to represent income qualified customers. These initial services will be targeted at the identification of energy-efficiency opportunities and the installation of simple conservation measures. Multifamily buildings in these areas will also be offered a free audit and installation of basic energy-efficient equipment in the resident units and common spaces. Additional tools and resources will be provided in these target areas to further enable pilot participants to navigate the installation of efficiency measures independent of the traditional organization who normally coordinate and support this work.