

➤ **Summary of 60-Day Notice: Multifamily Housing (Income-Qualified/Higher Emissions Community) Charger Rebate Program – Program Adjustments**

The following 60-Day Notice summarizes Public Service Company of Colorado’s (“Public Service” or the “Company”) action to update Parties on the Company’s development of a plan to increase the existing rebate amounts for its Multifamily Housing (“MFH”) Income-Qualified and Higher Emissions Community (“HEC”) Charger Rebate program set forth in the Company’s 2021-2023 Transportation Electrification Plan (“TEP”). This 60-Day Notice is issued in compliance with Decision No. C21-0017 in Proceeding No. 20A-0204E.

A copy of this notice will be available on our website at:

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

The Company proposes an increase in rebate amounts for the MFH Charger Rebate program due to customer feedback and a lack of participation.

➤ **MFH Charger Rebate Program – Program Adjustments**

A. Description

In August of 2021, the Company launched the MFH Charger Rebate program for income-qualified and HEC customers interested in installing charging stations for assigned parking and/or shared parking contexts. In order to be eligible for a MFH Charger Rebate, an applicant must be either designated as income-qualified or must install the charger at a premise that is within an HEC.¹ The definition of “income-qualified” varies depending on the type of applicant. The income-qualified and HEC qualification requirements for each type of MFH Charger Rebate is as follows:

- (1) applicant must be a participant in an affordable housing or multifamily weatherization or rebate program within the last 5 years;
- (2) applicant currently meets income qualification criteria for an affordable housing or multifamily weatherization or rebate program (at least 66 percent of the building population must be at or below 60 percent of the State Median Income, below 200 percent of the Federal Poverty Level, or below 80 percent of Area Median Income (“AMI”)); or
- (3) applicant must install the charger at a premise that is within an HEC.

As of September 1, 2022, the Company has not issued any MFH Charger Rebates. Overall, the Company has received feedback from potential MFH Charger Rebate applicants that the current rebate amounts are insufficient to cover the actual costs of installing electric vehicle (“EV”) charging stations, which was the intent of this particular rebate program as proposed and approved in Proceeding No. 20A-0204E.²

Generally, the Company has learned that income-qualified MFH properties are typically funded by Low-Income Housing Tax Credits (“LIHTC”) and tax-exempt/tax-advantaged loans. The financing structure often restricts these properties in their capital spending on tenant amenities, such as EV charging, and there is little guidance from the Internal Revenue Service (“IRS”) in this particular area. There are complicated IRS rules and regulations that govern capital spending by LIHTC-funded projects and running afoul of those rules and regulations could potentially jeopardize a project's tax status. As such, building owners/operators are reluctant to provide

¹ The Company’s methodology for identifying HECs, which considers both environmental burdens and population characteristics, within its service territory can be found in the Revised 60-Day Notice Identifying Higher Emissions Communities as filed in Proceeding No. 20A-0204E. In the methodology, population characteristics include income-qualified status, communities of color, populations that have experienced a history of environmental racism, or a combination of these factors.

² See the Company’s final Transportation Electrification Plan, page 53, submitted as a compliance filing on April 1, 2021 in Proceeding No. 20A-0204E (“The Company is intending to offer rebates to cover the full cost of the charging equipment for buildings meeting the income-qualified qualification threshold in addition to the EV supply infrastructure.”); See Commission Decision No. C21-0017.

dollars towards funding EV charging amenities for tenants due to the potential negative impacts to their tax status.

The Company, working closely with its implementation partner for residential and MFH income-qualified and HEC programs (Energy Outreach Colorado), is aware of several projects, representing roughly 36 Level 2 ports, that could likely move forward with installing EV charging stations on site if the rebate level was increased to better cover the large upfront costs. These projects all involve affordable housing developers and span across the communities of Denver, Boulder, Thornton, and Aurora.

The Company also points out that the Colorado Energy Office's Charge Ahead Colorado program, which helps fund EV charging stations and associated infrastructure across the state, recently announced changes to funding levels for projects in income-qualified and disproportionately impacted communities. The program now offers funding up to 90 percent of project costs for income-qualified applicants, or up to \$11,500 for a dual port Level 2 charging station, with an additional \$1,000 incentive for eligible applicants that are a certain type of organization (i.e., libraries, community centers, non-profits, public entities, income-qualified MFH organizations, etc.) and are located in disproportionately impacted communities. Charge Ahead Colorado previously offered an 80 percent match up to \$9,000 for applicants.³

The Company was made aware of a similar issue with the utility Baltimore Gas and Electric ("BGE") and its multifamily EV program. Starting in 2019, BGE was approved to offer a rebate for 50 percent of the cost of the eligible EV charging equipment and installation up to \$5,000 per port for level 2 charging for MFH complexes. Despite leaving the offering open to up to 700 customers, the program struggled with low enrollment and installed only 18 sites, or about 65 ports, over that two-year period.⁴ In 2021, BGE received approval to install, own, and operate 40 dual-port level 2 charging stations at MFH properties, at no cost to site hosts, in light of the many logistical and financial barriers to increasing EV charging availability at MFH sites. After just two months, the second-generation program was oversubscribed with demand for 50 level 2 charging stations. As a result, the Maryland Public Service Commission gave approval for BGE to install, own, and operate an additional 60 dual-port Level 2 charging stations at MFH sites to continue the enhanced level of support.⁵

While the Company's proposal is not the same as BGE's, it underscores the challenges that MFH sites can face in installing charging stations and how increased support can help achieve the goal of expanding access to charging infrastructure for those who would otherwise not have access to home charging.

³ See the Charge Ahead Colorado website for funding and eligibility details at

<https://energyoffice.colorado.gov/zero-emission-vehicles/grants-incentives/charge-ahead-colorado>.

⁴ Before the PSC of Maryland, CASE NO. 9478– BGE Semi-Annual Progress Report (August 2020).

⁵ Before the PSC of Maryland, CASE NO. 9478. In the Matter of the Petition of the Electric Vehicle Work Group for Implementation of a Statewide Electric Vehicle Portfolio. ORDER NO. 90036.

Program Adjustments

As stated previously, the Company is currently aware of several properties that are eligible for the MFH Charger Rebate but are reluctant to move forward with the cost of wiring and the purchase and installation of a Level 2 charger because the current rebate amounts do not fully cover these costs. As an example, some of the most popular models among affordable housing providers are commercial dual-port Level 2 chargers with manufacturer's suggested retail prices, required networking costs, uptime and maintenance support, shipping, and installation costs totaling to between \$14,500 - \$16,500. Additional site-specific costs of protective bollards, wheel stops, striping/signing, networking costs, repeaters for below grade parking, and other items necessary to properly install chargers specific to the needs of the municipal jurisdiction or housing provider can total roughly \$1,000 - \$6,000. All of these estimates exclude any future inflationary pressures over the next year or so that could add further cost pressures.⁶

The current MFH Charger Rebate amount is up to \$800 per Level 2 port for assigned parking spaces and up to \$2,200 per Level 2 port for shared parking spaces (up to \$4,400 for a dual-port Level 2 charger). These rebate amounts proposed and approved in the TEP were based on cost estimates provided by Guidehouse, which are now roughly three years old and which did not include all of these potential cost categories that are now known with more detail.

Through this notice, the Company proposes to increase the rebate to up to \$8,500 per Level 2 port (up to \$17,000 for a Level 2 dual-port charger) because the rebate is intended to reimburse applicants for up to the full cost of the installed charging equipment.⁷ Based on the equipment and installation costs summarized above, the increase is designed to cover the cost of a commercial dual-port Level 2 charger. The Company also notes that few income-qualified and HEC MFH properties have assigned parking and, thus, proposes to collapse the two types of rebates included in the original TEP into one rebate that provides support for upfront costs "up to" the stated maximum.⁸ Importantly, any rebate provided to a customer would not exceed the actual costs to procure, network, install, and maintain the charging equipment.

Program participants would be responsible for any costs exceeding the amounts covered by the proposed rebate (either now or in the future), ongoing electricity costs associated with the use of the charging stations, and reporting requirements associated with the Company's TEP programs.

The current and proposed rebate amounts are set forth in the table below.

⁶ Energy Outreach Colorado, based on 2022 Level 2 charging equipment bids.

⁷ See footnote 3.

⁸ Rebate amounts will not exceed actual costs.

Table 1: MFH Charger Rebate

	Multifamily Housing Income-Qualified and HEC Rebate
Current maximum per-port rebate amount	\$800/port for Level 2 (assigned parking) \$2,200/port for Level 2 (shared parking)
Proposed maximum per-port rebate amount	\$8,500/port for Level 2

The Company also proposes to waive the additional per-port incentives for qualifying MFH rebates or ports that would be made available to the Company through the Equity Performance Incentive Mechanism (“PIM”), as recently approved by the Commission in Proceeding No. 21AL-0494E. The Company proposes this as a result of principled discussions with some stakeholders regarding the interaction between specific rebate levels in the TEP and incentives provided via the Equity PIM, as contemplated at the time the Equity PIM was approved. The Company and all stakeholders can revisit the topic of rebate levels and any equity-focused PIMs more generally in the next three-year TEP, to be filed in 2023.

Program Budget

The Company expects that the rebate changes outlined above will help make use of the original budget for MFH income-qualified and HEC rebates included in the TEP. While the updated estimates reflect a higher budget than in the original TEP, which stems from fewer rebates issued but at higher dollar amounts, the budget flexibility provisions approved in the TEP can allow for the Company to direct more resources to this program and to the MFH portfolio in general (subject to 150 percent of the original portfolio budget estimate).

Table 2: Original and Proposed Port and Budget Estimates for the MFH Charger Rebate

	2021	2022	2023	Total
Original TEP: MFH Income-Qualified and HEC Rebates*				
Assigned Parking Ports	8	16	24	48
Shared Parking Ports	8	16	24	48
Budget Impact (\$800/port assigned, \$2,200/port shared parking)	\$24,000	\$48,000	\$72,000	\$144,000
Proposal: MFH Income-Qualified and HEC Rebates*				
Shared Parking Ports	0	~36		~36
Budget Impact (up to \$8,500/port)	0	~\$306,000		~\$306,000

*Excludes the rebate for MFH new construction.

B. Stakeholder Involvement

While determining the appropriate adjustments to the MFH Charger rebate, the Company engaged numerous stakeholders to gather feedback. The table below summarizes stakeholder involvement:

Table 3: Stakeholder Involvement

Stakeholder Group	Meeting Date
Transportation Electrification Plan Stakeholder Group ⁹	9/22/2022
Colorado Energy Office	10/4/2022
Staff of the Colorado Public Utilities Commission, Office of the Utility Consumer Advocate, Energy Outreach Colorado	10/6/2022
Western Resource Advocates	10/12/2022
Staff of the Colorado Public Utilities Commission, Office of the Utility Consumer Advocate, Colorado Energy Office, Energy Outreach Colorado, Western Resource Advocates	11/1/2022

⁹ 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. Nearly 100 individuals participated in the TEP Stakeholder Group meeting on September 22, 2022.