

➤ **Summary of 60-Day Notice: Residential Heating & Cooling**

The following 60-Day Notice summarizes Public Service Company of Colorado's (the "Company") action to update the technical assumptions and deemed savings in the Residential Heating and Cooling product, as well as, clarifying customer eligibility requirements.

The Company is including with this Notice:

- Redlined product write-up;
- Redlined Deemed Savings worksheets;
- Redlined Technical Assumptions worksheets; and
- Updated cost-benefit analyses.

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

https://www.xcelenergy.com/company/rates_and_regulations/filings/colorado_demand-side_management

The Company is adding a measure for natural gas boilers to increase rebate eligibility in targeted areas throughout the state and is adding an additional climate zone for deemed savings calculations in the product to more accurately calculate savings achieved in high-altitude regions. The Company is also clarifying eligibility requirements for heat pump and boiler rebates.

Natural gas boiler savings

Natural gas boilers are used in many Colorado homes for space heating. The Company included this measure in previous plans but discontinued it due to cost-effectiveness challenges. In recent years, the Company has had a renewed focus on reducing peak gas demand in certain areas to reduce constraints on the local distribution system. Some areas with such constraints have a greater prevalence of boilers than is standard for the state. High efficiency boiler rebates could be an effective strategy to address this problem.

The Company will calculate energy savings based on the difference in energy usage between the installed equipment and a baseline natural gas boiler with an Annual Fuel Utilization Efficiency ("AFUE") of 84%. The additional energy savings for the sidearm water heater are based on the difference in energy usage between the boiler and a baseline natural gas water heater. Additionally, an AHRI certification is required to be eligible for a 95% AFUE natural gas boiler rebate.

Climate Zone IV

The Company added a fourth climate zone with associated full load cooling and heating hours to represent very high-altitude areas such as Summit County. This affects the deemed savings calculations for a variety of heating and cooling measures, including natural gas furnaces, boilers, air conditioners and heat pumps, and evaporative coolers, to more accurately forecast the savings achieved in such regions. This update does not impact the filed forecast.

Eligibility Requirements

The modification clarifies that customers who are replacing natural gas water heating equipment with a heat pump water heater, the customer must have residential electric and natural gas service with Xcel Energy. This update does not impact the filed forecast.

Table 1: Summary of Forecasted Impacts: Residential Heating & Cooling

	2021		2022	
	<i>As Filed</i>	<i>Revised per 60-day</i>	<i>As Filed</i>	<i>Revised per 60-day</i>
Electric Savings (kWh)	14,057,658	14,069,696	15,030,064	14,062,106
Electric Demand Reduction (kW)	11,353	11,378	11,614	11,639
Budget*	\$6,162,376	\$6,162,376	\$6,294,442	\$6,323,442
MTRC Test Ratio	1.99	1.96	2.04	2.01
Gas Savings (Dth)	177,967	180,289	170,237	172,559
Budget*	\$1,957,136	\$1,989,136	\$1,838,670	\$1,868,670
MTRC Test Ratio	0.97	0.96	1.01	0.99

*Rebates only. While the anticipated expenditure impacts are forecasted, the Company acknowledges that this Notice does not change the filed budget.