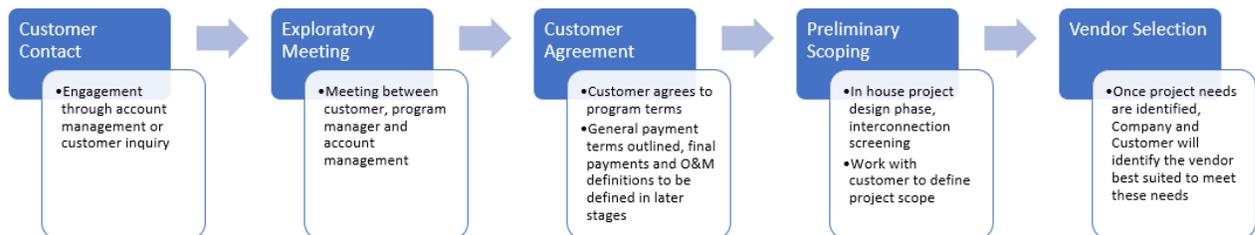


Resiliency Service Program Process Document

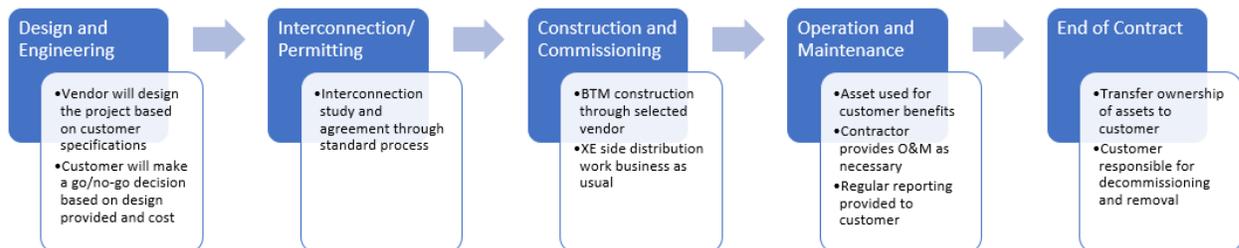
The Resiliency Service product is meant to reduce the upfront capital costs of resiliency solutions while also providing customers with a simple and efficient process for the construction and interconnection of resiliency assets. Currently, customers that implement these solutions must go through various points of contact with outside vendors to manage the design and construction of their project and inside PSCo in order to properly interconnect with the grid. This product will provide a streamlined process for designing, constructing, interconnecting and maintaining behind the meter resiliency assets. Figure 1 outlines the process that a customer can expect when participating in this offering. The following section will describe this process in detail.

Figure 1: Customer Journey

Project Planning (3 – 6 months)



Construction (3 – 24 months) and Operation (10 years)



Customer Eligibility, Recruitment, and Enrollment

Resiliency Service will be marketed to commercial and industrial customers in PSCo's territory. In order to be eligible for this product, a customer must receive general service from PSCo and meet the Company's minimum credit requirements. All customer buildings served by the resiliency asset(s) must receive service behind a single meter. However, a new meter set can be included in the project to meet this requirement. Customers that participate in a peak control or parallel generation tariff will be eligible for Resiliency Service and encouraged to utilize their assets to realize benefits through these programs.

Customer recruitment will take place primarily through the Account Management team and Strategic Energy Solutions Manager and Commercialization Sales staff. Customers who express interest through

their Account Manager will then engage with the Strategic Energy Solutions Manager to initiate the enrollment process. This will lead to an exploratory meeting between the customer, their Account Manager, Strategic Energy Solutions Manager, Product Sales Engineer and the Program Manager to understand the customer's resiliency needs.

Exploratory Meeting and Customer Service Agreement

If the Customer chooses to move forward with pursuing a resiliency solution through Resiliency Service, they will be expected to sign and Customer Service Agreement at this time. This agreement will outline general program terms as well as various go/no-go decision points within the project process that are outlined in the sections below. Exhibits and work orders will be executed throughout the project under this agreement outlining payment terms for design and engineering, construction and maintenance of the asset. PSCo will be responsible for maintaining the asset through the life of the contract. This O&M will be conducted at intervals deemed necessary on a per project basis by the implementing contractor. The estimated costs of this routine O&M will be included in the customer's Resiliency Charge. Any non-routine O&M will be subject to direct billing of the customer by PSCo. The Customer Service Agreement will specify what is defined as routine O&M and set parameters for work that falls outside of this definition and is therefore subject to direct billing. At the time of this initial signing, the project pricing outlined in this section will have yet to be determined but the process and timeline of exhibit additions and work orders will be clearly communicated.

Preliminary Project Scoping

Upon identifying a customer's project needs, the Program Manager and Product Sales Engineer will work with the customer to build a preliminary project design that will be used to identify the program vendor most capable of executing full design and construction of the resiliency solution. This project could range in complexity from a simple generator, battery backup, and/or the construction of a full microgrid. The program tariff specifies the various levels of service offered through this program and the customer charges associated with each service type. Program staff will review these options with the customer, identify the best fit for them and design a solution that meets their needs. Based on the project type, the Product Sales Engineering will create the preliminary project design. This design will be fairly high level and will only provide the details necessary to release the project to vendors for full design and engineering. PSCo will have a list of preferred vendors for various resiliency technologies and assign projects based on

For customers that identify a premium distribution service project as their solution will not follow the track outlined below. These projects will not require any work to be done behind the meter and therefore will not be assigned out to a third-party vendor.

Vendor Selection

PSCo will select a group of vendors capable of providing the services outlined in this tariff that will design and construct resiliency assets on the Company's behalf. Vendors will be vetted through an RFQ process and those deemed capable of providing these services will be onboarded as program vendors. This group of vendors will span the full range of program services and provide customers with a range of

solutions. Based on the high-level project design provided in the preliminary scoping process, the Company will score each vendor based on their ability to serve the Customer's needs. The vendor selected will perform the design, engineering, construction and O&M services on behalf of the Company as outlined below. In the event that the approved program vendors do not satisfy the needs of a project, the Company will select an alternate vendor from the approved pool of vendors.

Design and Engineering

The customer will be expected to sign a Design and Engineering Exhibit as part of their Customer Service Agreement with PSCo upon the project being assigned. This agreement will stipulate that all costs associated with the design of the customer's resiliency asset will be paid for by the customer regardless of whether or not they move forward with the project. The contractor awarded the project will provide all design and engineering needs for any behind the meter (BTM) construction that is to take place while the PSCo team will monitor the design to understand interconnection needs. At this time, the Company will submit an interconnection application, beginning the formal interconnection process as outlined below. Any costs resulting from design work or construction required on Company owned distribution equipment that is deemed necessary to deliver a project will be charged directly to the Customer through existing processes. PSCo must approve all design elements of the project and has the right to walk away from any project design that is determined to fall outside of the program parameters.

The Design and Engineering Exhibit will also include a provision requiring the customer to pay the full cost of the work billed to the Company by the vendor to execute the design work should they choose not to move forward with the project. Upon receiving the project design and estimated cost, the Customer has the right to terminate the Customer Service Agreement, pay for the design work and walk away from the project. If the Customer chooses to move forward with the project, they can roll the cost of the design work into their Resiliency Charge or chose to pay for it at this time. PSCo reserves the right to require upfront payment or additional Customer Contribution in Aid of Construction (CIAC) if warranted by the Customer's credit history. At this point, the Customer will sign a payment exhibit as a part of their Customer Service Agreement agreeing to pay for all costs associated with construction of the asset through the charges outlined in the tariff.

Interconnection and Permitting

Projects brought online and interconnected through Resiliency Service will go through the standard interconnection process. An interconnection application will be submitted upon the project being awarded to a vendor and will be tracked using existing processes. The interconnection process will take place alongside construction. Applications and approvals will be aligned with construction timelines to allow for a seamless customer experience and to avoid project delays. All permitting, interconnection, and generation emission compliance costs will be managed by the Company and included in the Customer's Resiliency Charge as capital.

Construction and Commissioning

Upon completion of the design and engineering phase of the project, the vendor will begin construction of the behind the meter assets. The vendor will bill PSCo according to the pricing that was agreed upon

in the design stage. PSCo will monitor the construction progress and provide input as needed. The sales team will work with the vendor to remain up to speed on construction timelines, payment schedules and answer any questions the customer may have. All customer questions and requests will be routed through the sales team including customer's Account Manager rather than the vendor.

Upon the completion of construction, PSCo will complete the interconnection process and bring the customer's resiliency asset online. At this point the customer will sign an additional exhibit as a part of their Customer Service Agreement outlining the total cost of the project and will define their payment amounts and schedule. Upon execution of this agreement the Company will begin billing the Customer according to this agreement.

Operating and Maintaining the Asset

Throughout the life of the contract, the resiliency asset will be owned and maintained by PSCo. Since the Customer is paying for the cost of the asset, only the Customer can realize its benefits. This means that the assets cannot be used by the Company to provide grid benefits and can only be used by the Customer for the purposes of resiliency and resources for peak control and parallel generation offerings.

Maintenance of the asset will take place according to the customer agreement and will be executed by a contractor of PSCo's choosing. The ability to provide ongoing maintenance will be a prerequisite for vendors wishing to participate in the program. What is deemed to be routine O&M as agreed to in the customer agreement will be executed with no additional cost to the customer as it is included in their Resiliency Charge. Any required maintenance that falls outside of this definition will be billed directly to the Customer.

End of Contract

Presuming the Customer has paid the contract charges in full, upon the end of the Customer Service Agreement, PSCo will transfer ownership of the asset to the customer. Charges for the project will no longer appear on the Customer's bill. The Customer will then be financially responsible for the maintenance of the asset as well its decommissioning. In the event the customer wants PSCo to manage decommissioning of the asset at the end of contract, which can be negotiated at the time of design and construction contracting or at a later date, the Customer will be responsible for all decommissioning costs. If the asset is not at its end-of-life, the Customer may have the option to have PSCo retain ownership of the asset, at PSCo's discretion, and continue to pay Xcel for maintenance through its remaining useful life. This would require a contract renewal and the negotiation of a new payment schedule.