

August 31, 2023



On July 31, 2023, Public Service Company of Colorado (“Public Service” or “the Company”) issued a 60-Day Notice to add Beneficial Electrification measures to the Company’s Business HVAC+R Systems product.

The Company received written comments on the Notice from the City and County of Denver’s Office of Climate Action, Sustainability, and Resiliency (“the City of Denver”). The original Notice, stakeholder comments, and Company responses can be found on the Company’s website, here:

[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 Company held discussions with the City of Denver to review their concerns, and after careful consideration of the comments, the Company determined that changes to the original Notice are warranted. The Notice with amendments detailed below will be implemented on Sept 1, 2023. The Notice amendments do not charge the forecasted product impacts included in the initial 60-Day Notice documents. A summary of comments and the Company’s formal responses are provided below:

**1. SEER2/EER2/HSPF2 Crosswalk:**

The City of Denver is understanding of the Company’s use of SEER/EER/HSPF in lieu of SEER2/EER2/HSPF2 for VRF Systems and Air Source Heat Pumps qualifying criteria. Given the emergence of SEER2/EER2/HSPF2 criteria, however, the City of Denver recommends that the Company provide the converted equivalents, a conversion chart, or conversion calculator on its website, information sheet, and/or application for contractors, building owners, and facility staff to use. The City of Denver expects that this additional information would facilitate comparison across criteria and, accordingly, reduce confusion in the marketplace.

**Response:**

The Company appreciates these comments and agrees that the comparison between these efficiency metrics can be confusing. We will add a conversion table to our rebate application as well as our website to help customers determine the correct efficiency metrics to determine rebate eligibility.

**2. IEER vs SEER:**

For Dual Fuel Rooftop Units, the City of Denver recommends that the Company include IEER as a qualifying criteria metric for units more than 5.4 tons. The City of

Denver has found in our rebate program experience that IEER is more commonly known by contractors.

**Response:**

We have taken this recommendation and added a COP requirement as well as an IEER requirement to DFRTU eligibility. The updated efficiency metrics will be added to the rebate application and website.

Equipment	Recommend Xcel
5.4 tons & lower	13.7+ SEER, 10.05+ EER
5.5 to 11.3 tons	12.2+ SEER, 11.3+ EER, 3.0 COP@47 or 15 IEER and 3.0 COP@47
11.4 to 19.9 tons	12.1+ SEER, 11.1+ EER, 2.9 COP@47 or 15 IEER and 2.9 COP@47
20 to 63.3 tons	12+ SEER, 10.9+ EER, 2.8 COP@47 or 14.1 IEER and 2.8 COP@47
63.3 tons & higher	12+ SEER, 10.9+ EER, 2.7 COP@47 or 14.1 IEER and 2.7 COP@47

**3. Cold Climate Heat Pump Eligibility:**

The City of Denver recommends that any cold climate designated equipment should also include requirements for a COP at 17 °F and/or 5 °F, and/or a capacity maintenance requirement regarding rated capacity at 47 °F when compared to capacities at 17 °F and/or 5 °F. These additional requirements would align the Company’s programming with other available offerings that have COP requirements—such as the City of Denver’s—and foster an improved understanding of equipment performance expectations in the marketplace.

**Response:**

The rebate application and website state the following: Cold climate heat pumps must have a heating capacity at 5 °F of at least 70% of heating BTU at 47 °F which will help specify our cold climate heat pump requirements. The application will show this in an easily visible spot.

**4. Rebate Identification:**

The City of Denver recommends that the Company clarifies or identifies all heat pump and dual fuel rooftop unit incentives as per unit, per ton, or per square foot to reduce any confusion in the marketplace and to better assess alignment with federal, state, municipal, and/or other incentive offerings.

**Response:**

The rebate application and website will clearly list the rebates, and a designation of per ton for ground source heat pumps.

**5. Rate Class Eligibility:**

The City of Denver's understanding is that, to qualify for the Company's Business HVAC+R Systems Beneficial Electrification rebates, buildings must be metered under the Company's commercial rate class to qualify, and multifamily buildings would only be eligible for the Company's Business HVAC+R Systems Beneficial Electrification rebates if master-metered under the Company's commercial rate class and/or in common areas metered under the Company's commercial rate class. The City of Denver recommends that the Company clearly state this eligibility criteria on its website, information sheet, and/or application. The City of Denver has found in our rebate program experience that clearly stating participant eligibility criteria is important, especially for multifamily buildings and their tenants.

**Response:**

The Company will make sure our rebate application and website clearly list that eligible customers must be on a commercial billing rate in order to not cause confusion on who will be eligible to apply for rebates.

**6. Future Coordination:**

Lastly, the City of Denver acknowledges that both the Company and the City of Denver will be offering Beneficial Electrification rebates for similar equipment types, as the City of Denver currently offers rebates for split air source heat pumps, mini-split heat pumps, heat pump hot water heaters, and heat pump rooftop units. The City of Denver recommends that the Company continue to coordinate with the City of Denver among other federal, state, and municipal rebate programs to share lessons learned and ensure awareness and coordination across rebate programs.

**Response:**

The Company plans to continue conversations, training opportunities, and sharing best practices going forward to align rebate programs. The company strives to create programs that work well for our customers, trade partners, and vendors, with the common goal of carbon reduction and sustainability in mind.