

➤ **Summary of 60-Day Notice:** Lighting Efficiency and Small Business Lighting

The following 60-Day Notice summarizes the Company's action to update several components in the Lighting Efficiency ("LE") and Small Business Lighting ("SBL") products. The notice also serves to correct and error in the lighting midstream Deemed Savings Technical Assumptions within the Plan.

Included with this Notice are the following documents:

- Revised Lighting Efficiency Deemed Savings Technical Assumptions;
- Revised Midstream Deemed Savings Technical Assumptions;
- Revised Lighting Efficiency Electric Forecast Summary;
- Revised Lighting – Small Business Electric Forecast Summary; and
- Updated Lighting Efficiency and Lighting – Small Business 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

Listed below are the changes and correction.

- Use an adjusted baseline to account for fixtures that were malfunctioning prior to retrofit
- Correct the hours and coincidence factors for Midstream lighting
- Expand wattage options for LED high/low bay fixtures and retrofit kits

Adjusted baseline for non-functioning fixtures

Based on recommendations from the 2018 Lighting Efficiency evaluation the Company will track the working status of equipment prior to retrofit and account for if the fixtures were replaced prior to the assumed time of normal replacement (early replacement) or if the fixtures were replaced at the end of their useful life and are non-operational (replacement on failure). This change is intended to be implemented in both the Lighting Efficiency and Small Business Lighting products.

For fixtures that are considered early replacement the Company proposes to calculate savings using the full savings from old to new equipment. Incremental costs will be calculated using the full cost of the project including equipment and installation and the lifetime will be calculated based on the end of the useful life of the efficient equipment.

For fixtures that are considered replacement on failure the Company proposes to calculate savings based on the incremental savings of the efficient equipment compared to an assumed code/standard baseline. The Company will calculate cost using the incremental cost of the efficient equipment versus the assumed code/standard and the lifetime will be calculated based on the end of the useful life of the efficient equipment.

Midstream (LED Instant Rebate) hours and coincidence factor correction

The Midstream (LED Instant Rebate) hours and coincidence factors are determined using a deemed weighted average based on a three year history of downstream participation. When the weighted averages were initially calculated there was an error in that the weights that were used did not add up to 1. The Company will correct the values adjusted based on a weight of 1, and the corrected values are 5194 for hours and 75% for coincidence factor. The Company will implement this correction starting on projects claimed from July 1, 2019 forward. This correction results in a greater reduction in achievement for the LE program compared to the SBL program, which led to the marginally lower cost-benefit ratios for the LE program despite the additional achievements captured by the LED high/low bay fixture offering discussed below.

Expand wattage options for LED high/low bay fixtures and retrofit kits

The Company will expand the list of LED high/low bays fixtures and retrofit kit wattage options available for prescriptive rebates. Currently prescriptive rebates are only available for high bay fixtures and retrofit kits 95W- 625W. The Company will expand the available wattage range down to 75W for LED high/low bay fixtures and retrofit kits replacing fluorescent and HID systems. The Company anticipates by shifting these lighting products from Custom efficiency to the prescriptive path this will reduce administrative costs and increase the number of participants, as the prescriptive path is easier for customers to navigate.

Table 1: Proposed rebates for LED high/low bay fixtures and retrofit kits

| New Equipment | | Existing equipment specifications | Non-DLC rebate/unit | DLC rebate/unit |
|--------------------------------------------|---------|------------------------------------------|---------------------|-----------------|
| LED high/low bay fixtures | 75W-94W | Fluorescent T12, T8, T5 and HID fixtures | \$52.50/fixture | \$70 |
| Retrofit kit for LED high/low bay fixtures | 75W-94W | | \$21.75/fixture | \$29 |

These changes result in the following updates to forecasted impacts for the Lighting Efficiency (Table 2) and Lighting – Small Business (Table 3) products.

Table 2: Summary of Forecasted Impacts: Lighting Efficiency

| | [2019] | | [2020] | |
|--------------------------------|-----------------|---------------------------|-----------------|---------------------------|
| | <i>As Filed</i> | <i>Revised per 60-day</i> | <i>As Filed</i> | <i>Revised per 60-day</i> |
| Electric Savings (kWh) | 156,466,275 | 154,447,632 | 181,557,873 | 181,614,852 |
| Electric Demand Reduction (kW) | 20,089 | 20,011 | 24,994 | 25,262 |
| Budget* | \$17,578,839 | \$17,769,567 | \$20,380,890 | \$20,842,164 |
| MTRC Test Ratio | 1.43 | 1.42 | 1.56 | 1.55 |

Table 3: Summary of Forecasted Impacts: Lighting – Small Business

| | [2019] | | [2020] | |
|--------------------------------|-----------------|---------------------------|-----------------|---------------------------|
| | <i>As Filed</i> | <i>Revised per 60-day</i> | <i>As Filed</i> | <i>Revised per 60-day</i> |
| Electric Savings (kWh) | 37,061,672 | 40,975,454 | 34,654,488 | 39,157,646 |
| Electric Demand Reduction (kW) | 5,734 | 6,191 | 5,553 | 6,107 |
| Budget* | \$6,436,982 | \$6,499,062 | \$5,987,360 | \$6,245,579 |
| MTRC Test Ratio | 1.12 | 1.16 | 1.18 | 1.23 |

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