

➤ **Summary of 60-Day Notice: Income-Qualified Geographic Prequalification Pilot**

The following 60-Day Notice summarizes Public Service Company of Colorado's (the "Company") action to update the program design and delivery of the Income-Qualified Geographic Prequalification Pilot product.

The Company is including with this Notice:

- Summary of the Income-Qualified Geographic Prequalification Pilot (below); and
- Redlined product write-up for Single Family Weatherization, Multi-Family Weatherization and Non-profit Energy Efficiency Program.

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 proposing the structure of a geographic based pilot to test the impact of prequalifying customers based on the physical location of their home. Residential, multifamily and non-profit customers will automatically qualify for additional services and rebates based on inclusion in a pre-defined census tract that has been identified to have residents with a high propensity to represent income qualified customers. Initial services will be targeted at the identification of energy-efficiency opportunities and the installation of simple conservation measures. Multifamily buildings in these areas will also be offered a free audit and installation of basic energy-efficient equipment in the resident units and common spaces. Non-profits providing services to low-income customers will be eligible for free energy audits. Additional tools and resources will be provided in these target areas to further enable pilot participants to navigate the installation of efficiency measures, independent of the organizations who normally coordinate and support this work through the Company's programs. The customers in these areas will continue to be eligible to participate in the current Company DSM programs if they so choose. The current qualification process for those programs would apply.

The pilot will test:

- Identify if marketing to a specific geographic area enhances the effectiveness of the ability of the Company to deliver a call to action by leveraging additional local resources and word-of-mouth.
- Determine if the proposed delivery model appropriate to scale to additional geographic areas. Does it provide implementation with greater economies of scale that justify the increased cost of delivery?
- Determine if income-qualified customers are willing and interested in pursuing efficiency upgrades with less direct support when provided with a set of resources to remove market barriers.
- Confirm that through additional training and incentives a trade network can be developed with the interest and expertise to deliver energy-efficiency to traditionally disproportionately impacted communities.

Pilot Structure

The Company will identify three to five zones within the Colorado EnviroScreen tool with minimal scores of 80. Further verification will be done to confirm these homes are in census tracts with median income of 80% AMI or lower and an average housing stock age of greater than 30 years to confirm there is a strong opportunity for income qualified weatherization improvements.

All 1–4-unit homes in the area will be offered a Home Energy Squad (HES) visit to install energy-efficiency measures and provide an audit to identify opportunities for insulation, air sealing and potential concerns with the HVAC equipment in the home. For customers not interested in participation in HES, they will be able to receive a bonus rebate if they have an audit of their home. A list of audit contractors trained in the pilot and conditions they may find unique to homes in disproportionately impacted communities will be provided as part of the marketing of the program. After either the HES visit or the audit they will have access to the advisory services provided by the Company to support moving forward with the installation of identified energy-efficiency measures.

Residential and multifamily customers in these geographic areas interested in installing efficient equipment will be eligible for enhanced rebates on equipment purchases. These rebates will be for income-qualified rate end-use retrofits, up to the full cost of the equipment and labor for installation. A contractor network for different end-use equipment will be identified, trained, and shared with customers in the pilot area. As a benefit of participating in this network, contractors will receive a bonus trade incentive for equipment successfully rebated in the pilot areas.

Customers who complete an HES visit or audit can participate in the Company's current income-qualified and market rate programs to install energy-efficiency equipment or can work directly with service providers to identify potential opportunities for equipment retrofits.

Budget Request

Qualifying participants within the Income Qualified Single-Family Weatherization, Multifamily Weatherization, and Non-Profit products will be combo customers with natural gas and electric service from the Company. The Company is requesting the budget below for the delivery of the Income Qualified Prequalification Pilot program. The breakout will be \$500,000 for Income Qualified Single-Family Weatherization, and \$150,000 for Income Qualified Multifamily Weatherization, and \$150,000 for the Non-Profit Energy Efficiency program, per year in rebate funding towards the applicable efficiency measures and for completing the energy audits.

These changes are not expected to have a material impact on 2023 product forecasts.

Table 1: Summary of Forecasted Impacts: Single-Family Weatherization

	2023	
	<i>As Filed</i>	<i>Revised per 60-day</i>
Electric Savings (kWh)	23,344,415	23,344,415
Electric Demand Reduction (kW)	3,154	3,154
Budget*	\$1,504,734	\$1,504,734
MTRC Test Ratio	7.72	7.72
Gas Savings (Dth)	48,112	48,112
Budget*	\$3,700,859	\$3,700,859
MTRC Test Ratio	1.43	1.43

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

Table 2: Summary of Forecasted Impacts: Multifamily Weatherization

	2023	
	<i>As Filed</i>	<i>Revised per 60-day</i>
Electric Savings (kWh)	2,169,962	2,169,962
Electric Demand Reduction (kW)	276	276
Budget*	\$1,091,227	\$1,091,227
MTRC Test Ratio	1.24	1.24
Gas Savings (Dth)	15,262	15,262
Budget*	\$1,309,992	\$1,309,922
MTRC Test Ratio	1.12	1.12

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

Table 3: Summary of Forecasted Impacts: Non-Profit Energy Efficiency Program

	2023	
	<i>As Filed</i>	<i>Revised per 60-day</i>
Electric Savings (kWh)	1,617,751	1,617,751
Electric Demand Reduction (kW)	366	366
Budget*	\$857,806	\$857,806
MTRC Test Ratio	1.22	1.22
Gas Savings (Dth)	7,592	7,592
Budget*	\$766,831	\$766,831
MTRC Test Ratio	1.10	1.10

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