

➤ **Summary of 60-Day Notice: Heat Pumps**

The following 60-Day Notice summarizes Public Service Company of Colorado's (the "Company") action to update the deemed savings, technical assumptions, and customer eligibility for air source heat pumps and heat pump water heaters. These changes impact the Residential Heating & Cooling, Whole Home Efficiency, and Income Qualified Single-family Weatherization products, as well as the Geotargeting Pilot.

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 reducing the minimum qualifying efficiency levels for heat pumps, based upon feedback from stakeholders and additional Company research. The Company is also adding a measure for replacing a natural gas water heater with a heat pump water heater without demand management capabilities.

Heat Pump EER and HSPF Requirements

The Company is decreasing the minimum EER requirement for a central air source heat pump from 12.5 to 11.5. The Company is decreasing the minimum HSPF for a cold climate central air source heat pump or cold climate mini-split heat pump from 10.5 to 9.5. The Company has been working with stakeholders to determine appropriate efficiency levels which will result in customer savings and have sufficient equipment available on the market at an affordable price.

The Company is also clarifying that the HSPF minimum for a non-cold climate central air source heat pump is 9. This requirement is already included in the technical assumptions, but previously was not listed in the Residential Heating & Cooling write-up.

Heat Pump Water Heaters

In the Company's filed technical assumptions, the Company provides a heat pump water heater measure. Versions of this measure are available with or without demand management capabilities. Heat pump water heaters with demand management capabilities receive a higher rebate. For customers replacing a natural gas water heater, however, the Company inadvertently only included the version with demand management capabilities. This excludes many customers with natural gas water heaters from this beneficial electrification offering. The Company is correcting this error, so that both offerings (heat pump water heaters with and without demand management capabilities) are available to customers replacing a natural gas water heater.

Certification Requirements

The Company is also removing the North American Technician Excellence (“NATE”) certification requirements for registered contractors in the Residential Heating & Cooling product and the NATE and Building Performance Institute (“BPI”) certification requirements for registered contractors in the Whole Home Efficiency product. The Company will use other methods, including its own training classes, to qualify contractors for participation. This is intended to remove barriers to contractor participation.

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

	2022	
	<i>As Filed</i>	<i>Revised per 60-day</i>
Electric Savings (kWh)	14,050,068	14,006,733
Electric Demand Reduction (kW)	11,614	11,554
Budget*	\$6,294,442	\$6,281,909
MTRC Test Ratio	2.03	2.01
Gas Savings (Dth)	172,736	173,070
Budget*	\$1,870,670	\$1,894,343
MTRC Test Ratio	0.99	0.99

*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: Whole Home Efficiency

	2022	
	<i>As Filed</i>	<i>Revised per 60-day</i>
Electric Savings (kWh)	698,861	698,113
Electric Demand Reduction (kW)	210	210
Budget*	\$122,532	\$122,469
MTRC Test Ratio	1.03	1.03
Gas Savings (Dth)	9,522	9,522
Budget*	\$94,340	\$94,403
MTRC Test Ratio	0.68	0.68

*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: IQ Single-family Weatherization

	2022	
	<i>As Filed</i>	<i>Revised per 60-day</i>
Electric Savings (kWh)	23,440,850	23,436,406
Electric Demand Reduction (kW)	3,235	3,233
Budget*	\$2,206,375	\$2,206,587
MTRC Test Ratio	5.44	5.44
Gas Savings (Dth)	60,514	60,514
Budget*	\$4,596,248	\$4,239,512
MTRC Test Ratio	0.90	0.90

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

Table 4: Summary of Forecasted Impacts: Geotargeting Pilot

	2022	
	<i>As Filed</i>	<i>Revised per 60-day</i>
Electric Savings (kWh)	0	0
Electric Demand Reduction (kW)	0	0
Budget*	\$11,000	11,000
MTRC Test Ratio	1.63	1.61

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