

➤ **Summary of 60-Day Notice: Evaporative Cooling**

The following 60-Day Notice summarizes PSCo's action to update the tech assumptions, deemed savings, and rebates in the Evaporative Cooling and Home Performance with ENERGY STAR® products.

PSCo is including with this Notice:

- Redlined Deemed Savings worksheets;
- Redlined Technical Assumptions worksheets;
- Updated cost-benefit analyses; and
- Redlined product write-ups.

A copy of this notice is available on our website at:

https://www.xcelenergy.com/company/rates_and_regulations/filings/colorado_demand-side_management

Due to changes in customer participation and marketing tactics such as instant rebates in 2019, the Company will 1) simplify rebate levels to enhance the customer experience while protecting the integrity of the products, and 2) modify the forecasted customer participation by cooler type for 2020.

These changes will impact Home Performance with ENERGY STAR® which offers measures that align with the Evaporative Cooling measures' deemed savings, technical assumptions, and rebate levels.

The effective date for these changes will be back-dated to January 1, 2020 following conclusion of the 60-day notice process.

Evaporative Cooling Rebate Changes

In 2019, the Evaporative Cooling product adopted recommended changes proposed in the 2018 product evaluation – including a tiered replacement/non-replacement rebate structure and an instant rebate option – as outlined in a previous 60-Day Notice and the 2019-2020 DSM Plan.

Customer response to the changes was positive. Overall product participation increased approximately 50% from 2018, with standard coolers accounting for 80% of total participation in 2019 compared to 56% in 2018. The Company identified a potentially concerning trend; however, as participants self-identified as “non-replacement” participants at a significantly higher rate than in previous years. The energy savings and net-to-gross for the standard and premium coolers are the same for both replacement and non-replacement coolers; the purposes of the self-identification are primarily to help inform the Company about the long-term health of the product and encourage customer participation in it.

In response, the Company will continue to offer the superior customer experience of instant rebates for evaporative coolers, while better protecting the integrity of the product by simplifying the rebate structure and combining the replacement and non-replacement tiers into one offering

for each cooler type. Customers who have not previously participated will continue to be prioritized. The Company will identify those customers through data analytics, and then send them invitations to special customer-focused events at retail locations timed to coincide with the onset of cooling season. The simplified rebate structure is summarized in Table 1.

Table 1: Rebate Levels by Measure – Evaporative Cooling

Rebate levels, by measure	2019	2020
Standard evaporative cooler – replacement (2019)	\$200	--
Standard evaporative cooler – non-replacement (2019)	\$400	--
Standard evaporative cooler (2020)	--	\$300
Premium evaporative cooler – replacement (2019)	\$600	--
Premium evaporative cooler - non-replacement (2019)	\$800	--
Premium evaporative cooler (2020)	--	\$675
Multi-ducted premium evaporative cooler – replacement (2019)	\$600	--
Multi-ducted premium evaporative cooler – non-replacement (2019)	\$1,200	--
Multi-ducted premium evaporative cooler (2020)	--	\$1,200

Additionally, the 2018 product evaluation recommended tiered net-to-gross values for replacement and non-replacement multi-ducted premium coolers of 0.7 and 0.9, respectively. In combining the replacement and non-replacement multi-ducted measures into one measure, the Company will also apply a weighted-average net-to-gross of 0.851 based on verified 2018 installations. Standard and Premium coolers measures did not have tiered net-to-gross structures and will retain the original net-to-gross values of 0.7.

The Company believes these changes will continue to drive strong customer participation, simplify rebate messaging, and ensure accurate customer self-identification as replacement or non-replacement participants. The Company will continue to explore improved or alternate methodologies for offering mid-stream and/or instant rebates through wholesalers/distributors in the future.

Table 2: Summary of Forecasted Impacts: Evaporative Cooling

	2020	
	<i>As Filed</i>	<i>Revised per 60-day</i>
Electric Savings (kWh)	5,121,782	5,119,558
Electric Demand Reduction (kW)	6,632	6,604
Budget*	\$2,330,400	\$1,844,550
MTRC Test Ratio	3.59	4.27

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