

➤ **Summary of 60-Day Notice: Water Heater Demand Response**

The following 60-Day Notice summarizes the Company’s action to add a new Heat Pump Water Heater offering under the Residential Demand Response product in order to expand customer segments that are eligible to participate in energy efficiency and demand response products.

The Company is including with this Notice:

- Redlined Deemed Savings worksheet;
- Redlined Technical Assumptions worksheet
- 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

The Company is adding a new demand response offering under the Residential Demand Response product – Smart Water Heaters – as well as expanding the eligibility in existing energy efficiency products in order to reach more customer segments. Affected existing products include: Residential Demand Response, Water Heating, and Home Performance with ENERGY STAR® (“HPwES”).

In general, the Demand Response products will capture the dispatchable demand savings associated with heat pump water heaters while the related energy efficiency savings will be captured through the measures in related energy efficiency products. The new offerings will share costs between products to accurately align costs with claimed savings in each product.

Smart Water Heaters

The Smart Water Heaters offering will be added to the Residential Demand Response product to provide another demand management solution for the Company’s residential customers. This offering will consist of measures for controllable water heater demand response. Customers will receive an incentive for enrolling in the product as well as a recurring prescriptive incentive in the form of a bill credit for remaining enrolled. The new measures will reduce system load by curtailing water heater load at peak times and reducing overall energy consumption through controlling the hours in which the water heater operates.

Table 1: Summary of Forecasted Impacts: Residential Demand Response

	2020	
	<i>As Filed</i>	<i>Revised per 60-day</i>
Electric Savings (kWh)	55,938	68,585
Electric Demand Reduction (kW)	15,148	15,157
Budget*	\$8,694,000	\$8,694,000
MTRC Test Ratio	1.83	1.58

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

Water Heating

The Company will expand current measures in the Water Heating product to include domestic heat pump water heaters with a storage tank up to 80 gallons. Customers who install eligible ENERGY STAR electric heat pump water heaters that are “grid-enabled” CTA-2045 models will be eligible to enroll in the Company’s Demand Response program. The new measures will share costs across products to accurately align costs with claimed savings in each product

Table 2: Summary of Forecasted Impacts: Water Heating

	2020	
	<i>As Filed</i>	<i>Revised per 60-day</i>
Electric Savings (kWh)	5,018,807	4,478,660
Electric Demand Reduction (kW)	739	603
Budget*	\$562,400	\$562,400
MTRC Test Ratio	1.33	1.24
Gas Savings (Dth)	5,385	5,385
Budget*	\$114,758	\$114,758
MTRC Test Ratio	0.56	0.56

*See note above

Home Performance with ENERGY STAR

The Company will expand current measures in the HPwES product to align the product with the Water Heating product as described above. Customers who install eligible ENERGY STAR electric heat pump water heaters that are “grid-enabled” CTA-2045 models will be eligible to enroll in the Company’s Demand Response program. The new measures will share costs across products to accurately align costs with claimed savings in each product

Table 3: Summary of Forecasted Impacts: Home Performance with ENERGY STAR

	2020	
	<i>As Filed</i>	<i>Revised per 60-day</i>
Electric Savings (kWh)	310,462	310,388
Electric Demand Reduction (kW)	466	467
Budget*	\$403,324	\$414,705
MTRC Test Ratio	1.02	1.00
Gas Savings (Dth)	19,248	19,248
Budget*	\$341,805	\$341,805
MTRC Test Ratio	0.85	0.85

*See note above