

➤ **Summary of 60-Day Notice: Energy Star New Homes**

The following 60-Day Notice summarizes Public Service Company of Colorado's (the "Company") action to update the savings assumptions in the Energy Star New Homes product.

The Company is including with this Notice:

- 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

Tankless, natural gas water heaters comprise approximately twenty five percent of water heaters installed in Energy Star New Homes program homes. The Company plans to change its savings calculations to capture the significant savings this technology affords. Additionally, the Company seeks to correct a couple errors in its filed product forecast. While prescriptive rebates for aerators and showerheads were included in the product narrative, these measures were unintentionally omitted from the product forecasts. Additionally, the deemed sheets and technical assumptions were updated to accurately capture savings for clothes washer measures.

Tankless gas water heaters

Historically, the International Codes Council has held the position that the savings for tankless water heaters cannot be used to improve the energy performance of a home for energy code compliance purposes. This is rooted in the concern that homebuilders would use the significant energy use difference between the tankless and baseline, storage water heater to trade off poor building envelope performance or other inferior technologies to comply with energy codes. Thus, for purposes of energy modeling, the as-built water heater was set equal to the baseline – a code minimum storage water heater. The Company has historically, voluntarily used this guideline for its savings calculations.

As the product uses energy models to demonstrate energy performance and not code compliance, the Company will allow homes that have installed tankless gas water heaters to compare the energy performance of the installed unit to a code baseline, storage gas water heater and claim the difference.

The Company will utilize the same energy modeling paradigm it currently uses to calculate energy savings and performance better than local energy code. The change will be that instead of setting as-built water heater to equal the baseline to calculate energy savings, the as-built will reference the energy consumption of the tankless unit. The difference between the tankless and baseline will represent the energy savings and performance beyond code. The Company will claim these savings for projects completed under the 2021-22 DSM Plan beginning on April 1, 2021.

Water-saving measures

These aerator and showerhead measures already exist within the Company’s DSM portfolio and are included in the filed deemed savings; however, participation and savings for these measures were omitted in the filed product forecast. The Company has updated the forecast to include anticipated participation levels.

Clothes washers

The Company is correcting the deemed savings and technical assumptions associated with ENERGY STAR clothes washers. The forecast assumptions included in the 2021-2022 DSM Plan referenced an outdated EnergyStar savings calculation. The savings formulas have been corrected to reflect current EnergyStar calculations, resulting in a reduction in the deemed savings for these measures.

Table 1: Summary of Forecasted Impacts: Energy Star New Homes

	2021		2022	
	<i>As Filed</i>	<i>Revised per 60-day</i>	<i>As Filed</i>	<i>Revised per 60-day</i>
Electric Savings (kWh)	9,912,052	9,839,519	10,361,702	10,289,169
Electric Demand Reduction (kW)	2,876	2,422	2,716	2,261
Budget*	\$2,291,619	\$2,246,057	\$2,255,349	\$2,210,824
MTRC Test Ratio	1.12	1.07	1.19	1.13
Gas Savings (Dth)	129,214	135,749	154,836	165,415
Budget*	\$1,865,311	\$1,909,445	\$1,770,053	\$1,813,267
MTRC Test Ratio	0.95	0.95	1.01	1.01

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