

➤ **Summary of 60-Day Notice:** Residential Battery Demand Response Pilot

The following 60-Day Notice summarizes Public Service Company of Colorado's (the "Company") action to update the technical assumptions, rebate, and program design in the Residential Battery Demand Response pilot.

The Company is including with this Notice:

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

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 updating the structure of the Pilot with the following changes:

- **Rebate Amount and Structure:** Change the per customer rebate from \$500 at enrollment and a \$10 monthly credit to an upfront amount of \$1,250 per customer.
- **Amount of Battery being Used:** In addition to increasing the rebate amount, the Company is also increasing the amount of the customer's battery that the pilot will utilize. The update will allow the Company to use 80% of the customer's battery, compared to 50% in the initial Pilot design. By increasing the share of the battery available for demand response, the Company increases the system benefits from the pilot.

The Company is pursuing these changes for two reasons. First, the Public Utilities Commission ordered that the Company work with stakeholders to identify ways that the Company could spur greater adoption of batteries in the next two years (see Paragraph 77 of Decision No. C10-0289 in Proceeding 19A-0369E). The Company believes that increasing the incentive it pays to participating customers and moving all incentives upfront will make the pilot more enticing and have a positive effect on the battery market in Colorado.

Second, as the Company has engaged with battery vendors during contract negotiations, it has learned more about the operation of batteries for demand response. When a utility calls a demand response event, the battery is reserved on the day of an event to allow it to charge and prepare to provide demand response. During this time, the battery is not available for use by the customer. Given that the battery is reserved for Company use on event days, the Company believes it is appropriate to fully utilize the resource and increase the incentive to the customer.

For this pilot the Company will reserve 20% of the battery for the customer, so that back-up capacity is available to the customer in the event of a grid outage.

Table 1: Summary of Forecasted Impacts: Residential Battery Demand Response Pilot

	2020	
	<i>As Filed</i>	<i>Revised per 60-day</i>
Electric Savings (kWh)	-16,752	-17,532
Electric Demand Reduction (kW)	389	630
Budget*	\$177,500	\$312,500
MTRC Test Ratio	1.51	1.61

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