

## ➤ **Summary of 60-Day Notice: Small Business Solutions**

Public Service Company of Colorado (“the Company”) posts this 60-Day Notice to make changes to the Small Business Solutions product in response to the 2020 Impact Evaluation for the Lighting – Small Business product.

The Xcel Energy Lighting – Small Business product in Colorado offered prescriptive and custom rebates to Xcel Energy electric Small business customers under 400 peak demand kw who installed qualifying energy efficient lighting equipment in existing or new buildings. Rebates were offered to encourage small business customers to purchase energy efficient lighting by lowering the upfront premium costs associated with this equipment.

Starting April 1, 2021 the Lighting – Small Business product was retired and replaced by a new product, Small Business Solutions, which supports small business customers in Colorado under 400 peak demand with implementing various energy efficient technologies from lighting, heating, cooling, refrigeration, motors and compressed air. The product includes a free energy assessment, direct installation of energy savings measures and implementation support for customers completing a prescriptive or custom energy efficient upgrades.

The Small Business Solutions product will adopt the net-to-gross Ratio (“NTGR”) and recommendations provided in the Lighting – Small Business Impact Evaluation.

The evaluation provided findings in the areas of estimated NTGR and found that participating customers were motivated due to upfront and long-term costs savings and learned about the product through trade partners. Findings also indicated that trade partners were satisfied with their experiences with the product but also desired additional training events and support from the implementer during the application and installation process. The evaluation also explored how other peer utilities market to small business customers and determine small business customer eligibility. The Company will implement the following recommendations in 2021:

- Update the NTGR for prescriptive, custom and direct install measures within the product to 94%;
- Increase the number of energy assessments and direct installations to small business customers; and
- Provide training and marketing tools for trade partners targeting small business customers.

The LED Instant Rebate offering in the Lighting Efficiency product had an impact evaluation and NTGR change in 2020 which also impacts midstream offerings within the Small Business Solutions product. The LED Instant Rebate NTGR was reduced to 78% in the evaluation. As part of this 60-Day Notice, the Company is also correcting an error in the filed forecast which allocated a disproportionate amount of incremental capital and O&M costs for combination (electric and gas) measures to the gas product.

The ‘revised per evaluation’ section in Table 1 represents the NTGR changes from both the Lighting – Small Business and LED Instant Rebate 2020 impact evaluations, as well as the incremental cost

allocation correction. For more details on the LED Instant Rebate Impact Evaluation please refer to that 60-Day Notice.

**Table 1: Summary of Forecasted Notice Impacts: Small Business Solutions**

	2021		2022	
	<i>As Filed</i>	<i>Revised per Evaluation</i>	<i>As Filed</i>	<i>Revised per Evaluation</i>
Electric Savings (kWh)	46,062,218	43,257,026	45,965,672	43,261,743
Electric Demand Reduction (kW)	7,236	6,691	7,149	6,623
Budget*	2,958,335	2,958,335	3,079,013	3,079,013
Electric MTRC Test Ratio	1.36	1.32	1.41	1.36
Gas Savings (Dth)	13,284	13,262	17,475	17,306
Budget*	99,465	99,465	119,717	119,717
Gas MTRC Test Ratio	1.71	2.02	1.82	2.16

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

Detailed responses to each of the Comprehensive Evaluation recommendations can be found in the matrix included with the report.

Included with this Notice are the following documents:

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

These documents can be found on our website at the following link:

[http://www.xcelenergy.com/Company/Rates & Regulations/Filings/Colorado\\_Demand-Side\\_Management](http://www.xcelenergy.com/Company/Rates & Regulations/Filings/Colorado_Demand-Side_Management)