Public Service Company of Colorado (“Public Service” or “the Company”) provides the following update regarding product status including energy and demand savings achieved, product expenditures, implementation changes, and measurement and verification (“M&V”) modifications.

Product Implementation Status
Please refer to the attached table for the preliminary first quarter 2019 (cumulative Jan. 1 – Mar. 31, 2019) product energy and demand savings achieved, product expenditures, and CO2 and SO2 emissions avoided. In total, Demand-Side Management (“DSM”) electric products have achieved savings of approximately 140 GWh and gas savings of 161,090 Dth in the 2019 calendar year. This represents approximately 28% of the 2019 electric DSM plan’s energy savings target of 502 GWh and 23% of the gas target of 701,761 Dth.

The following section provides product status activities for the first quarter of 2019 in the Business, Residential, Low-Income, and Demand Response Products, as well as Indirect Products & Services and other related activities.

Business Product

- **Commercial Refrigeration Efficiency** – As of the end of the first quarter, the product is expected to exceed the electric savings target by the end of the second quarter; however, it is not forecasting to meet its gas savings targets. At the end of 2018, the product went through the process of an RFP, to which a new implementer was identified. The new implementer has picked up the pipeline and met with trade partners. A trade partner engagement/educational event is planned for June, with hopes of reengaging those trade partners that may have stopped participating or are new to the product and its offerings. The event will highlight cost effective measures for both the electric and gas portions of the product. The focus of the second quarter, and the duration of the year, is to build a gas pipeline, continue building the electric pipeline, engage and build relationships with the trade, and run campaigns to promote the product.

- **Compressed Air Efficiency** – The product is not currently on track to meet its 2019 targeted electric savings targets. This is due to a lull in the pipeline. The product had a trade partner event in March; the Compressed Air Challenge, in hopes of giving the trade updates on the product as well provides some additional education on general compressed air topics. The product hasn’t been marketed via campaigns or case studies in quite some time, so the potential to do so in the second and third quarter is high. The focus will also be engaging with the trade to maintain and possibly grow those relationships.

- **Cooling** — The product had a strong start in 2019 with an effort to reach out to more indoor agricultural facilities and identify new custom measures.

- **Custom Efficiency** — The product saw a large project complete in the first quarter. The product, in collaboration with several other custom end use products, is encouraging account managers to identify and close custom projects in 2019.

- **Data Center Efficiency** – The product is off to a strong start with several customer projects completed in the first quarter. Two trade partner outreach meetings were conducted during the first quarter with plans for additional meetings throughout the year. The new prescriptive
measures from the Computer Efficiency product launched under the Data Center Efficiency product on January 1, 2019. The 2018 Comprehensive Evaluation was completed at the end of 2018 and a 60-Day Notice to implement the recommendations was posted on February 1, 2019.

- **Energy Management Systems ("EMS")** – The EMS product closed eleven projects in the first quarter and is on pace to exceed its full-year electric savings target. Product management continues to focus on encouraging applicants to complete projects in the first half of the year. EMS gas achievement is lagging behind its targeted pace. For applicants with gas or duel-fuel projects, the program is offering bonuses to encourage project completion.

- **Heating Efficiency** – The product had a strong start for both gas and electric achievement. In 2019, the Company will discontinue some measures and introduce the new ozone laundry measure.

- **LED Street Lights** – The product has a strong pipeline for the remainder of the year and is expected to surpass its electric savings target. Thus far the product retrofitted 2,680 units and achieved 52% of its filed target.

- **Lighting Efficiency** – The product saw steady participation through the first quarter and continues to perform well. The product’s top performing measures included LED Tubes, LED high bays and LED troffers. In addition, the Company made several changes in the first quarter in response to the 2018 product evaluation including decreasing the product’s net-to-gross from 99.2% to 74% and announcing the discontinuation of the Lighting New Construction offering. The Company will post a notice fully effectuating the elimination of the New Construction offering in the second quarter.

- **Lighting – Small Business** – The product saw increasing participation throughout the first quarter, with the top measures including LED Troffers, LED Outdoor Canopy Lighting, and LED Area Lighting. It is on track to meet electric year-end targets. Direct Installation has been low thus far with the shift from lighting assessments to comprehensive energy analysis audits; however, the product is taking steps to increase participation in the second quarter. Additional second quarter efforts include driving cost effective measures via market segmentation, trade partner coordination and customer education.

- **Motor & Drive Efficiency** – The product is on track to achieve its 2019 electric savings targets. This is due, in part, to some projects that carried over from the 2018 pipeline as well as strong engagement from the trade and customers. The Company’s focus during the second quarter is to maintain and build upon the current pipeline to achieve the savings target for 2019. The product hasn’t been marketed via campaigns or case studies in quite some time, so the potential to do so in the second and third quarter is high.

- **Multifamily Buildings** – The product saw steady participation through the first quarter and continues to perform well. If the product continues to perform at the same pace, the yearly targets should be achieved. The product will be moving to a pay-for-performance model mid-year and the RFP was released for bid in the first quarter to reflect this change.

- **New Construction** – The product performed well in the first quarter. Second quarter efforts will be focused on project closeouts and educating/training trade on changes taking effect with the launch of the 2019 plan.

- **Process Efficiency** – The product’s first quarter savings were more than double those of the first quarter of 2018. The very broad range of customer segments that completed projects included schools, hospitals, wastewater treatment, food packaging and manufacturing. The Company has enhanced the customer engagement process by combining the Energy Information Systems offering, to become a single Strategic Energy Management (SEM) offer for the 2019 Plan year.
Process Efficiency enrollees have the option to continue in SEM, and the enhanced engagement methods have already begun to influence achievement.

- **Recommissioning** – The product closed one building tune up project and one recommissioning project in the first quarter. Investigator trainings continue to approve new recommissioning providers.

- **Self-Direct** – The product did not see any achievement in the first quarter, but is expecting several large projects to close in the second quarter. The Company will continue discussions with engineering firms to add projects to the pipeline.

### Residential Product

- **Energy Efficiency Showerheads** – Marketing campaigns for this product have not yet begun but will begin in the second quarter.

- **Energy Feedback Residential** – The product is on track to meet year-end savings targets. A refill of 130,000 treatment customers was added in January, and the Company is testing digital only reports versus a combination of digital and print reports with this group. Preliminary results are expected in third quarter of 2019.

- **ENERGY STAR® New Homes ("ESNH")** – The product is off to a strong start in 2019 and completed 1,487 homes in the first quarter. Homes compliant with 2015 IECC or higher represented nearly 60 percent of the qualifying homes. The first code training of the year was held in March and focused on the 2015 IECC. Additional trainings will be held throughout 2019 in an effort to maintain or increase product participation in areas adopting the newer codes.

- **Evaporative Cooling** – The product had a slower start than expected but a sharp increase is anticipated during the second quarter. Trade communications and meetings will continue to occur. Bold new tactics to encourage deeper engagement and increased customer satisfaction are planned for the second quarter, including 37 retail store special customer events and instant rebates through retailers and some distributors.

- **High Efficiency Air Conditioning** – Trade partners have responded positively to the simplified rebate structure. Air conditioning training classes will continue as an annual requirement. Mini-split heat pump rebate use is 50 percent higher than the same period in 2018. This will be an area of targeted marketing focus, and trade engagement, during the second and third quarters.

- **Home Energy Squad** – The product is off to a strong start to the year, with 327 customers participating in the first quarter. Marketing efforts began with a bill onsert in January and are scheduled to ramp up in the second quarter with an additional onsert, customer email campaign, and social media campaigns. Close involvement with Partners in Energy communities and the third-party implementer continues to be pursued, in addition to cross-marketing with the Refrigerator Recycling and School Education Kits products. Squad Plus visits continue to be a popular choice for customers. These visits are intended to be a gateway to other energy efficiency products, such as Home Performance with Energy Star.

- **Home Lighting & Recycling** – Home Lighting and Recycling has had significant achievement in first quarter. Efforts to increase sales during first quarter included TV, radio, social media, bill onserts, and educational opportunities at community events.

- **Home Performance with ENERGY STAR® ("HPwES")** – Achievement for the product was slightly lower than projected for the first quarter. An additional Energy Advisor was added and will focus on customer outreach in an effort to drive additional participation.
• **Insulation & Air Sealing** – The product is on track to meet savings targets. No marketing is planned for the product at this time.

• **Refrigerator & Freezer Recycling** – The product is off to a strong start to the year, with 1,385 refrigerators and freezers recycled in the first quarter. Marketing efforts began with a bill insert in January and are scheduled to ramp up in the second quarter with an additional insert and customer email campaign. Close involvement with Partners in Energy communities, and cross-marketing with the Home Energy Squad and School Education Kits will help to drive continued participation, while keeping costs low.

• **Residential Heating** – First quarter $300 bonus rebates for 95% AFUE furnace purchases resulted in energy savings similar to the bonus rebate offered in the first quarter of 2018, but with significantly less rebate spend. Electronically commutated motor rebates also achieved strong participation.

• **School Education Kits** – The product is off to a strong start to the year, with 11,882 kits shipped in the first quarter. An additional 10,000 students have signed up to participate in the program and will receive their kits in the second quarter, bringing total spring participation to 55% of the annual target.

• **Thermostat Optimization** – Achievement for the product was slightly lower than projected for the first quarter. During the second quarter, additional marketing efforts to create more awareness of the product include email campaigns and additional rebates to drive more traffic to the Company storefront. The product is still anticipated to meet all year-end targets.

• **Water Heating** – The product saw steady participation through the first quarter. Preparation for the rollout of the marketing plan for electric heat pump water heaters was completed. Inserts, direct mail, and email campaigns will begin in the second quarter to boost participation. The instant rebates available through Lowes and Home Depot will be expanded as well.

**Low-Income Product**

• **Energy Savings Kits** – The Company sent out the first offer to qualifying customers at the end of the first quarter, and received typical response rates. These first kits will be sent out in the second quarter, and more offers will be sent to qualifying customers after the Low-Income Energy Assistance Program season ends on April 30th. The Company is also partnering with Energy Outreach Colorado to identify additional qualifying customers.

• **Multifamily Weatherization** – The product is on track to meet year end savings targets. Twelve projects were completed in the first quarter, and there are over 40 projects in the pipeline. Projects completed in the first quarter include properties in Grand Junction as well as Denver.

• **Non-Profit** – The product is on track to meet year end savings targets. Sixteen projects were completed in the first quarter and over 30 projects are in the pipeline to be completed in 2019. Product implementer and partner Energy Outreach Colorado continue to engage non-profits in the community, and the latest round of applications for potential projects was reviewed on February 15th.

• **Single-Family Weatherization (SFWx)** – The product is on track to meet energy savings targets. The first shipment of smart thermostats was delivered to Energy Outreach Colorado and they are working on training the partnering agencies to install the thermostats and provide education to customers.
**Indirect Product**

- **Business Education** – Through the first quarter of 2019, the Business Education product achieved approximately 26 percent of the year-end participation target and generated 59 customer leads. Participation and outreach through key community and trade association events continue to create a meaningful conversation with customers. By the end of the first quarter, the Company provided outreach through four community-based event days. In addition, the product has been supported through energy efficiency messaging via the Energy Solutions newsletter, as well as a mass marketing print campaign. The combination of these initiatives continues to support DSM achievements.

- **Business Energy Analysis** – A first quarter email campaign resulted in strong participation during the first quarter. The campaign marketed free audits for building sizes less than 50,000 square feet. Previously, the same audit was a small fee of $125. The goal of the campaign was to not only get more customers interested in the audit, but to also increase customer engagement opportunities for the DSM portfolio. Through the first quarter, more than 100 audits have been requested. Direct Installation of energy saving measures (LED lamps, aerators and pipe insulation) are also a new offering for customers with a peak demand less than 100 kW.

- **Consumer Education** – Through the first quarter of 2019, Consumer Education achieved approximately 28 percent of the year-end participation target and generated 984 customer leads and 111 signups. Participation and outreach through key community events continues to create a meaningful opportunity to address energy efficiency with customers. By the end of first quarter, the Company provided outreach through 18 community-based event days. In addition, the product has been supported through conservation messaging in residential newsletters and web-based channels. The combination of these initiatives continues to drive participation in DSM products.

- **Energy Benchmarking** - The Company supports municipalities within its service territory to reach their benchmarking targets. During the first quarter, 62 new participant buildings were added. This brings the total Colorado building count to 3,424.

- **Energy Efficiency Financing** – The Company continues to develop its partnerships with the Colorado Energy Office’s RENU loan product and Elevations Credit Union. Over 90 trade partners have signed up to offer these products to customers across the state. The Company is working to promote awareness by including financing messaging in marketing efforts for all relevant products and trade partner trainings, and by including a Financing section in the Heating, Ventilation, Air Conditioning, and Refrigeration web portal, where customers can easily find which trade partners can offer them the rebate and financing option they want.

  The Commercial Financing Product continues to promote its streamlined web portal. In two minutes or less, trade partners can create a customized financing estimate through HBC Energy Capital. HBC Energy Capital uses its industry-wide relationships and leading edge lender-partners to provide the best rates and terms to optimize energy efficiency projects. This includes C-PACE financing when appropriate.

- **ENERGY STAR® Retail Products Platform Pilot** – In the first quarter of 2019, the pilot was not on track to meet its forecasted electric savings/spend. The pilot ended on March 31, 2019 and the Company plans to submit a 90-Day Notice to terminate the pilot due to low cost effectiveness.

- **Home Energy Audit** - First quarter participation in the Home Energy Audit product increased compared to 2018. The discounted visit in combination with the Home Energy Squad continues to be a popular choice for customers, with the weekly schedule consistently full throughout the quarter. Early feedback from customers has been positive, and the third-party vendor coordinating these visits is working to on-board additional independent auditors. By promoting
these combined visits, the Company hopes to simplify the customer experience, increase participation in the Home Energy Audit product, encourage participation in other DSM products, and eliminate customer confusion regarding the difference between a Squad visit and an Audit.

- **DSM Planning & Administration** – During the first quarter the Company completed an unopposed, comprehensive settlement agreement with stakeholders. Approval of this settlement agreement was received in March.

- **Product Evaluations** – 2018 evaluations were completed in the first quarter, including posting 60-Day Notices for the affected products. 2019 evaluations were initiated for certain demand response products (Peak Partner Rewards and Saver’s Switch) and energy efficiency products (Heating Efficiency, Motor and Drive Efficiency, and Single Family Weatherization). Planning for lighting evaluation research (recommended 2018 evaluation follow-up research to set 2020 NTG, 2019 baseline study) was conducted so that kick off meetings could occur in early Quarter 2 of 2019.

- **Measurement & Verification** – The Company’s third-party verification contractor, Nexant, completed random field inspections for prescriptive products for the 2019 M&V year, with no significant variances.

- **Market Research** – The small commercial end use study began in late March. Target customers for the study are businesses that have demands between 25 and 125 kW. Surveying will complete in April and a report is expected in early May. Survey length has reduced the previously planned quota of 400 customers to 300 customers to hold the study expense constant. Membership services have been extended into 2019 with E Source to enable the Company to tap into their DSM expertise. Primary services received from E Source involve business opportunities and best practices for energy efficiency.

- **Product Development** – Current development efforts include:
  - Research and development into advanced energy communities which are district-scale development projects that have aggressive energy targets and include multiple energy systems (energy efficiency, demand response, advanced grid, renewable energy, storage, and electric vehicles.) The Company is looking into product designs that can help meet the needs of these projects;
  - Advanced roof top unit controllers that operate a variable frequency drive using advanced economizer and demand-controlled ventilation;
  - A residential measure for ENERGY STAR® radon mitigation fans;
  - A pilot that tests the use of residential batteries to provide demand response;
  - A pilot that deploys energy efficiency and demand response into a specific location in the distribution system in order to defer or avoid traditional distribution investments to meet a need for additional distribution capacity;
  - A pilot that manages when electric vehicles charge to reduce their impact on system peak load and provide other possible system benefits; and
  - Direct load control switches with two-way communications that control air conditioners and water heaters.
  - Smart thermostat demand response for small and medium businesses.
  - A residential water heater demand response measure.
  - Sending electronic alerts to customers who are on track to have a higher than normal monthly bill. The alert will provide behavioral tips on how to save energy and manage their energy costs.
  - A behavior-based demand response product for residential customers that uses pre and post-event communications and social comparisons to reduce customer consumption during demand response events.
• A residential measure for cellular shades.

**Demand Response Product**

- **Critical Peak Pricing Pilot** – There were no changes to the pilot’s participation during the first quarter of 2019. The pilot maintained the previous eight participants and potential 4.09 MW of controllable load. First quarter efforts focused on meetings with potential customers, with a concentrated focus on previous ISOC 1-Hour Notice participants that are no longer eligible for the ISOC product. The Company also continued its work on the RFP launched in 2018 to acquire an implementation service partner to supplement the Company’s marketing and administration of the pilot and increase in the pilot’s participation.

- **Peak Partner Rewards** – The product lost one participant in the first quarter due to a customer terminating electric service. The pilot ended the quarter with 16 participants and 14.8 MW of committed load. First quarter efforts focused on meetings with potential customers. The Company continued its work on the RFP launched in 2018 to acquire an implementation service partner to supplement the Company’s marketing and administration of the product and increase in the product’s participation.

- **Residential Demand Response** – The first quarter of the year is normally fairly slow for Residential Demand Response. In all just under 800 devices were enrolled in the quarter. About two thirds of the new devices were Saver’s Switches.