

## ➤ **Summary of 60-Day Notice: Energy Savings Kits & Single-Family Weatherization**

Public Service Company of Colorado posts this 60-Day Notice in compliance with Paragraph 5 part (h) of the 2015/16 DSM Plan Stipulation and Settlement Agreement (Proceeding No. 14A-1057EG), which states:

*The Company will add LED light bulbs to these two products [Single-Family Weatherization and Low-Income Energy Savings Kits] in 2016 via 60-Day Notice, if the measure becomes cost-effective. The Company also agrees to share the results of the cost-effectiveness analysis at the Q3-2015 DSM Roundtable.*

The Company has pursued this analysis earlier than anticipated and has determined that LED bulbs are cost-effective as a new measure addition to both products.

### Energy Savings Kits

The Company has analyzed the addition of a 10-Watt LED bulb to the low-income energy savings kit and found it to be cost-effective with an MTRC of 1.39. In order to maintain the kit's cost-effectiveness overall, one 13-Watt CFL will be removed from the kit to accommodate the new bulb. This change to the kit's bulb mix will be effective January 1, 2016.

The increased cost for the LED incentive is largely offset by the removal of one 13-Watt CFL. The remaining budget required to include the new bulb type will be covered by reallocating the small portion of the product's existing administrative budget to the incentive category, resulting in no change to the product expenditure forecast overall.

**Table 1. Summary of Notice Impacts: Energy Savings Kits**

Energy Savings Kits	Forecasted Measure Impacts		Impact for Product – 2016	
	<i>CFL</i>	<i>LED</i>	<i>As Filed</i>	<i>Revised per 60-Day</i>
Electric Savings (kWh)	-105,204	115,724	1,008,759	1,019,279
Electric Demand Reduction (kW)	-12	13	112	113
Budget* (\$)	-\$11,581	\$52,843	\$289,831	\$289,831
MTRC Test Ratio	N/A	1.39	2.08	2.07

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

### Single-Family Weatherization

The Company analyzed two LED bulb types—an A-Style and BR-Style—and found the addition of these bulbs to be cost-effective, as shown in Table 2 below. The bulb styles were selected because they are being integrated into the Colorado Energy Office's State Weatherization Program. CFL bulb savings under the Single-Family Weatherization product are being adjusted downward to account for the introduction of incentivized LEDs. The Company will begin collecting customer data on the wattage and style of the existing bulbs being replaced by incentivized CFLs or LEDs as of January 1, 2016.

**Table 2. Summary of Notice Impacts: Single-Family Weatherization**

Single-Family Weatherization	Forecasted Measure Impacts		Impact for Product – 2016	
	<i>CFL</i>	<i>LED</i>	<i>As Filed</i>	<i>Revised per 60-Day</i>
Electric Savings (kWh)	-410,553	432,399	2,379,324	2,401,170
Electric Demand Reduction (kW)	-48	51	223	226
Budget* (\$)	-\$29,365	\$100,425	\$1,358,190	\$1,429,250
MTRC Test Ratio	N/A	2.29	0.94	1.02

Included with this Notice, are the following documents:

- Revised Energy Savings Kits Product Write-up;
- Revised Energy Savings Kits Deemed Savings Technical Assumptions;
- Updated Energy Savings Kits Electric Forecast Summary;
- Revised Single-Family Weatherization Product Write-up;
- Revised Single-Family Weatherization Deemed Savings Technical Assumptions; and
- Updated Single-Family Weatherization Electric Forecast Summary.

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)

## ➤ Energy Savings Kit Product

### A. Description

The Energy Savings Kit provides home energy efficiency measures bundled and distributed to low-income customers through direct mail campaigns and partnerships. The kits offer electricity and natural gas saving measures and customer education materials to help lower customer bills and improve the comfort and safety of their dwellings.

Income-qualified customers will receive an offer through the mail informing them of their eligibility to receive a free Energy Savings Kit. The offer details the contents of the kit and how much they could save on their energy bill if they install all the measures provided. If the customer chooses to receive a kit, they will send the pre-paid postage business reply card to the third-party program implementer. Customers will receive a kit within six to eight weeks.

In 2015, the The Energy Savings Kits will include the following electric and natural gas efficiency measures:

- Four (4) Compact Fluorescent Bulbs (13 Watt – 60 Watt Equivalent)
- Four (4) Compact Fluorescent Bulbs (20 Watt – 75 Watt Equivalent)
- 1.5 gpm High Efficiency Showerhead
- 1.5 gpm Kitchen Faucet Aerator
- 1.0 gpm Bathroom Faucet Aerator

In 2016, the Energy Savings Kits will include the following electric and natural gas efficiency measures:

- Three (3) Compact Fluorescent Bulbs (13 Watt – 60 Watt Equivalent)
- Four (4) Compact Fluorescent Bulbs (20 Watt – 75 Watt Equivalent)
- One (1) Light-Emitting Diode Bulb (10 Watt – 40 Watt Equivalent)
- 1.5 gpm High Efficiency Showerhead
- 1.5 gpm Kitchen Faucet Aerator
- 1.0 gpm Bathroom Faucet Aerator

## **B. Targets, Participants & Budgets**

### Targets and Participants

The Company set the participation target (number of kits to be sent out) based on 2013 product performance and participation projections for 2015 and 2016. Energy savings targets were developed based on the installation rate of the kit measures in 2013.

### Budgets

The budget is based on the number of forecasted kits. The budget includes the costs of kit contents, and production, distribution, and fees from the third-party implementer.

## **C. Application Process**

Customers who have received Low Income Home Energy Assistance Program (LIHEAP) funding, any energy assistance funding (including county assistance and fuel fund assistance), Low-Income Energy Assistance Program (LEAP) funding, or other state assistance programs and live in Public Service's territory will be sent an offer via mail to receive the kit. The third-party program implementer will track customer participation so that customers do not receive more than one kit. This tracking information will also be provided to Public Service on a regular basis. Income-qualified customers are eligible to receive a kit once every ten years.

## **D. Marketing Objectives & Strategies**

The overall objective of the product is to increase and expend education among the low-income customers on the importance of energy efficiency and the value of taking action to improve efficiency in their homes. Public Service will work with local and state agencies to obtain customer mailing lists to reach more customers annually.

## **E. Product-Specific Policies**

In order to participate, customers must receive LIHEAP, LEAP, or any energy assistance funding (including county assistance and fuel fund assistance) or other low-income state assistance programs.

## **F. Stakeholder Involvement**

The Company will continue to work with local and state agencies to identify eligible customers and determine additional kit content needs.

## **G. Rebates & Incentives**

Public Service will fund 100% of the cost of the Energy Savings Kits. There will be no rebate provided to customers.

## ➤ Single-Family Weatherization

### A. Description

The Single-Family Weatherization product will offer natural gas and electric efficiency measures to low-income single-family households. Depending on need, Public Service may provide rebates to qualifying PSCo customers for any of the following measures:

#### Natural Gas Measures

- Furnace efficiency upgrades
- Wall insulation
- Attic insulation
- Crawl space insulation
- Attic insulation for manufactured homes
- Water heaters
- Storm windows
- 1.5 GPM showerheads
- GPM aerators
- 0.5 GPM aerators
- Air Sealing

#### Electric Measures

- Refrigerator replacements
- Compact fluorescent light (CFL) bulbs (rebated per CFL installment)
- Light Emitting Diode (LED) bulbs (rebated per LED installment)
- Cooling savings for building shell measures

In addition to these measures, a major focus of this product will be customer education on ways to reduce energy use in the home. Low-income auditors will provide educational materials, historical energy usage information, and bill analysis to these customers during the weatherization process. Public Service will not claim any energy savings associated with the educational component of this product.

The Single-Family Weatherization product is delivered in partnership with a third-party implementer. The third-party implementer secures public grants and private funds which, when matched with Public Service funds, produce incremental, cost-effective gas and electric savings for low-income households. The third-party implementer also develops annual contracts with local weatherization agencies within the PSCo service territory. Processes for reporting measure detail, rebates, and measurement and verification (M&V) are managed by the third-party implementer with the local weatherization agencies.

## **B. Targets, Participants & Budgets**

### Targets & Participants

Energy savings and participation targets were established in partnership with the third-party implementer and involved low-income state offices, using historical product participation in 2013 and 2014 (to date) as a guide. Recommendations from the third-party implementer on expected workflow were also considered when developing energy savings targets and participation rates.

### Budgets

Budgets for the product were developed based on the historical incremental cost of measures installed in low-income homes.

## **C. Application Process**

In order to participate, customers must purchase retail electricity or gas from the Company on a residential tariff and have a household income below 80% of the area median income (AMI). Public Service customers will be informed of the Single-Family Weatherization product when they sign up for Low Income Home Energy Assistance Program (LIHEAP) funding from the U.S. Department of Energy's (DOE's) Weatherization Assistance Program, among other outreach avenues. LIHEAP qualification is at 150% below the Federal Poverty Line (FPL) and approximately 50% AMI depending on the county. DOE allows for 200% below the FPL which is usually around 60% AMI.

Once it is determined that the customer meets the income guidelines and receives energy services from the Company, they will be qualified by their local weatherization agency, and the third-party implementer, to receive weatherization services. Local weatherization agencies will actively seek out customers that qualify to participate in this product, and customers can inquire about it on their own as well.

## **D. Marketing Objectives & Strategies**

The overall marketing objective of this product is to deliver energy savings that support low-income customers in the reduction of energy costs and increased comfort. A secondary objective is to increase and expand education among low-income customers on the importance of energy efficiency and the value of taking action to improve efficiency in their homes. Public Service will work with low-income providers, such as local weatherization agencies and community organizations to encourage promotion of all services available. Information will be posted on Xcel Energy's website<sup>1</sup> directing customers to their local weatherization agency. The Company may also partner with other low-income groups to market this product to low-income customers.

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<sup>1</sup> [http://www.xcelenergy.com/Save\\_Money\\_&\\_Energy/Rebates/Income\\_Qualified\\_Weatherization\\_-\\_CO](http://www.xcelenergy.com/Save_Money_&_Energy/Rebates/Income_Qualified_Weatherization_-_CO)

## **E. Product-Specific Policies**

In order to participate, customers must purchase retail electricity or gas from Public Service on a residential tariff and have a household income below 80% AMI. Customers meeting the DOE Weatherization Assistance Program funding guidelines, as determined by the third-party implementer, local government, or local agencies, are automatically eligible.

The third-party implementer will contract with subcontracted agencies to perform weatherization measures. All contractors will be trained to follow BPI installation requirements for weatherization services. These contractors are funded through the third-party program implementer and other state funding and have agreed to weatherize homes following state regulations and guidelines.

## **F. Stakeholder Involvement**

When designing the product, Public Service worked with external consultants to define which measures would save customers money on their energy costs while ensuring comfort in their home. The product is delivered in partnership with federal, state, and nonprofit low-income weatherization organizations.

## **G. Rebates & Incentives**

Public Service will pay 100% of the costs to install a subset of the predetermined electric and natural gas energy efficiency measures available to low-income, single-family customers.