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 second quarter 2015 (cumulative Jan. 1 – Jun. 30, 2015) product energy and demand savings achieved, product expenditures, and CO$_2$ and SO$_2$ emissions avoided. In total, Demand-Side Management (DSM) electric products have achieved savings of 164.8 GWh and gas savings of 205,159 Dth thus far in 2015. This represents approximately 40% of the 2015 electric DSM plan’s energy savings target of 407.5 GWh and 34% of the gas target of 595,960 Dth. At the end of Q2 last year, the Company was approximately 11 GWh and 38,000 Dth ahead of where we are at Q2 this year.

The following section provides product status activities for the second quarter of 2015 in the Business, Residential, Low-Income, and Demand Response Programs, as well as Indirect Products & Services and other related activities.

Business Program

- **Commercial Refrigeration Efficiency** – The Commercial Refrigeration product is off to a slow start in 2015, realizing 24% of its GWh savings goal by the end of Q2. As a result, the Company launched a bonus rebate campaign in May that continues throughout the summer months. Marketing efforts continue to focus on education of both trade partners and customers. The product continues to build the project pipeline for the remainder of 2015 and beyond.

- **Compressed Air Efficiency** – The product achieved over 0.9 GWh of electric savings in the second quarter of 2015. Ten studies concluded in Q2 following a strong start in the beginning of the year. The Company continues to build a strong pipeline through a steady flow of study approvals.

- **Computer Efficiency** – The Computer Efficiency product achieved 26% of its energy savings target by the end of the second quarter of 2015. The Company continues to promote the benefits of Virtual Desktop Infrastructure and Personal Computer Power Management to customers. The Company intends to post a 60-Day Notice to add a new component to the upstream offering during late 2015.

- **Cooling** – The product achieved 1.53 GWh of energy savings in the second quarter of 2015. The product is planning on offering a cooling bonus for Direct Evaporative Pre-cooling Technology for Air Cooled Condensers (DEPACC) continuing from the second quarter into the third quarter.

- **Custom Efficiency** – The product achieved 0.14 GWh of electric energy savings and 7,225 Dth of natural gas savings within the second quarter of 2015. The pipeline of projects is very strong for the balance of 2015 and the product has already near its energy savings targets for the year.

- **Data Center Efficiency** – The product achieved 7.2 GWh of energy savings by the end of the second quarter of 2015, which is approximately 88% of the product’s year-end target. The Company has seen some large customer projects in the first half of the year, and continues to
reach out to the trade about incentive opportunities. The Company will conduct a training this fall for large customers to further encourage participation. Also, in Q3, a three-part marketing campaign will also be deployed, announcing the product’s prescriptive rebate offerings.

- **Energy Management Systems (EMS)** – In the second quarter, the product closed 0.9 GWh of electric savings and 2,659 Dth of natural gas savings. The Company issued an RFP to select a Strategic Energy Management Consultant for the new EIS product measure launching under the 2015/16 DSM Plan.

- **Heating Efficiency** – The product achieved 451 Dth of its year-end natural gas savings target during Q2. The Company continues to educate customers about the benefits of heating efficiency upgrades and best practices for selecting qualified contractors.

- **LED Street Lights** – This product was introduced in the 2015/16 DSM Plan, which has not yet launched as of the time of this filing.

  Lighting Efficiency – The product achieved 25% of its electric savings target by the end of the second quarter. On May 15, the Company launched a 20% rebate bonus to bring in additional projects and savings. The bonus is scheduled to end September 15, 2015. The Company has a good pipeline of over 28 GWh of energy savings lighting projects identified. The Business LED Instant Rebate product has achieved 1.9 GWh of energy savings, by rebating 26,885 lamps. This product is off to a slow start, so the Company is considering potential implementation changes that could increase savings.

- **Lighting – Small Business** – The product launched a 20% bonus on all prescriptive and custom projects completed between May 15 and September 15, 2015 to further incentivize lighting retrofits and increase program participation. Specific outreach was targeted at customers who have applied for and received custom project pre-approval in the past two years. The third-party implementer completed 118 new assessments during this period and finished the quarter with a 33% conversion rate for projects that received a free on-site lighting assessment.

- **Motor & Drive Efficiency** – Within the quarter, the product saved 2.7 GWh; year-to-date achievement is now 67% of the year-end target. The Company will continue its focus on small business customers, and on directly contacting non-participant and mid-market equipment suppliers. The Company is forecasting achievement of the year-end target under budget.

- **New Construction** – The Company anticipates achieving both its electric and natural gas savings targets for this product by the end of 2015. New Construction continues its success due to pipeline building in previous years, a stronger economy, and opening the Energy Design Assistance offering to additional qualified energy consultants. The product helps building owners and developers prioritize energy efficiency by educating and marketing to architects, contractors, small and large businesses, and other interested stakeholders. The Company continues to work on building a solid pipeline of projects for future years.

- **Process Efficiency** – The majority of the projects expected to participate in 2015 are anticipated to close in Q3 or Q4. The Company is working closely with both internal and external stakeholders to provide any support needed by program participants, ensuring all forecasted projects are submitted by year-end to meet the energy savings targets. Marketing efforts include an upcoming industrial customer workshop in Q3 designed to highlight products specific to the industrial segment.

- **Recommissioning** – The Recommissioning product is off to a fast start in 2015, realizing 77% of its GWh savings goal by the end of Q2. Marketing efforts continue to focus on education of both trade partners and customers. With a large number of recommissioning studies currently in
progress, the product continues to build a robust project pipeline for the remainder of 2015 and beyond.

- **Segment Efficiency** – The product is currently in a maintenance phase and will be closed September 1.

- **Self Direct** – The product ended Q2 at 32% of the year-end electric savings target due to the completion of one project. The product is forecasted to slightly exceed its year-end target based on projects currently in the pipeline.

**Residential Program**

- **Energy Efficiency Showerheads** – The product had a successful spring campaign where a total of 7,791 showerhead and aerator kits were shipped to eligible customers. Achievements have not yet been recorded. The remainder of Q2 has been used to prepare for a fall campaign that will launch with the approval of the 2015/16 DSM Plan where an additional 27,000 kits are expected to be shipped to new and previous participants.

- **Energy Feedback Residential** – The program remains in pilot status until Plan approval. See the *Indirect Program* section below for additional information.

- **ENERGY STAR® New Homes (ESNH)** – Participation increased in Q2 due to warmer weather for construction and an improving economy. Currently the Company is forecasting to have adequate budget dollars available to fund the program for the full year and we are looking at ways to increase participation before year-end. There are several non-participating builders whose homes fall just under the program participation requirements. We are working with the energy rating companies for these builders to understand what additional low-cost home improvements could be implemented in order to qualify.

  We are offering no cost professional sales training classes to participating builders and energy raters. Training classes demonstrate how to effectively market energy efficiency to homebuyers; leveraging the ENERGY STAR New Homes program; HERS ratings; and the homeowner benefits that go along with building “above code” homes. In addition, we are sponsoring a series of monthly building science training events hosted by the Home Builders Association HBA of Metro Denver and the Northern Colorado HBA. These events cover topics such as building codes, thermal efficiency, air-sealing, ventilation, moisture management, and EPA’s ENERGY STAR V3.

- **Evaporative Cooling** – The product increased mass and targeted marketing efforts including advertising and promotions, contractor and retail training and communications, electronic content and outreach in Q2 as part of the product’s normal busy season. Contractors and retailers reported significantly lower evaporative cooling unit sales in the first half of 2015, and typical sales projections for the rest of the year were down 25 to 33% from 2014. In response, the Company increased base rebates – effective June 1, 2015 – to encourage higher customer and contractor participation, and will extend promotional schedules into September and October. Despite these efforts, the Company is forecasting the product will not achieve its year-end participation and electric energy savings targets.

- **High Efficiency Air Conditioning** – The product continued to see strong participation during the second quarter, achieving 30% of the energy savings target during the first half of the year. Participation numbers began to increase during the second quarter with the start of the cooling and commissioning season.
The Company conducted two training sessions during the second quarter, which were attended by over 200 contractors representing 150 companies. The sessions covered an overview of the HEAC rebates and a Quality Installation review conducted by the third-party M&V vendor. The trainings also introduced the Western Cooling Control device to participating contractors and provided them more information about the device. A half-day session providing load calculation training was also provided.

- **Home Energy Squad** – This product will be introduced with launch of the 2015/16 DSM Plan, September 1.

- **Home Lighting & Recycling** – CFL and LED discounts are continuing to be offered throughout the year. Second quarter is typically the lowest sales quarter of the year for the product. However, 2015 sales are very strong. Thus far this year, sales have out-performed results in 2013 and 2014. The program is on track to achieve the year-end target. Many of the promotions are planned for third and fourth quarter, and the Company and third-party implementer are busy coordinating the details and materials for those events.

- **Home Performance with ENERGY STAR® (HPwES)** – The product has achieved 153,750 net kWh and 4,158 net Dth year to date. The product is slightly under performing when benchmarked against the second quarter of 2014; however, with increased cooling and insulation rebates, the Company expects to see an influx of applications in the third quarter. Additionally, an air conditioning trade incentive will be launched as a part of the 2015/16 DSM Plan and will be widely communicated throughout year-end.

- **Insulation & Air Sealing** – The product has continued to see a strong pipeline and is performing 83 percent higher than mid-year 2014. The Company implemented a promotional rebate of $500 that started in December 2014 and continued through March 2015, which resulted in an increase in customer participation through the first quarter. The launch of the 2015/16 DSM Plan is expected to drive increased participation through year-end to achieve the filed targets.

- **Refrigerator & Freezer Recycling** – The product has achieved nearly 1.6 GWh through the end of the second quarter. The Company has also started reviewing the responses to the third-party implementer RFP, and the Company intends to select a provider by the end of third quarter. The achievement year-to-date is higher than observed during this time last year; however, the Company will be launching a fall promotion to help encourage participation before year end.

- **Residential Heating** – The product saw 891 participants in Q2, and almost 40% of those received rebates for both natural gas (furnace/boiler) and electric (electronically commutated motor - ECM) measures. The ECM measure is now one year into its initial offering, and performing well; in the first half of 2015, over 80% of all Heating rebates include an ECM rebate. By comparison, 60% of all Heating rebates include a furnace rebate, and 17% are “furnace only” rebates. The Company’s offer of a reimbursement “scholarship” of $120 when technicians get their NATE Gas Heating certification has been used only 12 times in the first half of 2015, despite multiple contractor communications. Of the 228 trade partner companies currently able to offer the Heating rebate, 158 turned in Heating rebates, with the “Top 10” trade partners producing the lions’ share (44%).

- **School Education Kits** – During the second quarter the Company continued to deliver the School Education Kits requested for the spring semester and also began enrolling for the fall semester. At the end of Q2, 21,440 kits were delivered which is 56% of the participation target. Additionally, 14,863 students are already enrolled for the fall semester, which will put the product at 94% of the participation target.

- **Water Heating** – In 2015, the Company will only employ no-cost or low-cost promotional communications for this product due to cost-effectiveness. At the end of Q2, the product’s natural
gas savings were on target to meet or exceed 2015 targets while keeping spending at a reasonable level. Electric Heat Pump Water heater rebates, savings, and budget spend are trailing filed targets. Additional no-cost and low-cost promotional tactics will be employed for the remainder of 2015 to achieve electric goals.

**Low-Income Program**

- **Energy Savings Kits** – The Company launched the first offer for a free Energy Savings Kit during the second quarter. The first offer was sent to customers via direct mail in mid-June. An email offer will be sent to customers during the third quarter.

  The Company also launched a digital media campaign in the second quarter to increase awareness of the product. The digital banner ads linked customers to a unique landing page that provided information about the low-income offerings and the ability to sign up for the offering. The banner ads generated over 1.4 million impressions and generated over 950 unique page views with 21 form submissions. The Company plans to work with internal and external partners to determine customer eligibility for low-income product offerings.

- **Multifamily Weatherization** – The Company continues to partner with Energy Outreach Colorado (EOC) to help fund equipment retrofits and process improvements for electric and natural gas energy efficiency measures in low-income, multi-family buildings. Energy savings were realized, and rebates paid, for two facilities in Q2. EOC identified, and the Company had analyzed, twelve more multi-family projects by the end of the quarter. The Company expects the product will meet or exceed its electric and natural gas savings goals in 2015.

- **Non-Profit** – By the end of Q2 2015, EOC identified gas and electric savings among nine low-income non-profit facilities. Savings were realized and rebates were paid to five facilities representing 9% of electric savings goal for 2015. The Company expects the product will meet or exceed its electric and natural gas savings goals in 2015.

- **Single-Family Weatherization** – EOC partners with State weatherization agencies throughout the Xcel Energy service territory to identify eligible customers and ensure that new equipment meets energy efficiency standards to qualify for an incentive. During the second quarter, EOC focused on developing partnerships with other organizations that also support the low-income sector by lending technical expertise, identifying income-qualified customers and assisting in program development to connect customers to Single-Family Weatherization incentives.

**Indirect Program**

- **Business Education** – In the second quarter of 2015, the Business Education program achieved 34% of the year-end participation target and generated 127 customer leads. Participation and outreach through key community and trade association events continue to create a meaningful conversation with customers. By the end of Q2, the Company provided outreach through 12 community-based events. In addition, the program 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 goals.

- **Business Energy Analysis** – The service is a first step for businesses to help them identify ways to save energy and reduce costs. The Company offers three different types of audits: online energy assessments, onsite energy audits, and engineering assistance studies. Only 21% of the participation goal had been reached by the end of Q2. As a result, the Company launched a discounted energy audit campaign that continues throughout the summer months. Marketing efforts continue to focus on education of both trade partners and customers. With a significant
number of energy audits currently in progress, largely as the result of direct mail, e-mail, and social media campaigns, the Company continues to build a robust project pipeline for the remainder of 2015.

- **Consumer Education** – In the second quarter of 2015, Consumer Education achieved 82% of the year-end participation target and generated 3,925 customer leads. Participation and outreach through key community events continues to create a meaningful conversation with customers. By the end of Q2, the Company provided outreach through 66 community-based events. In addition, the program has been supported through conservation messaging in residential newsletters and web-based channels. The combination of these initiatives continues to support DSM goals.

- **Energy Efficiency Financing** – The Company continues to work with established alliances to continue outreach, marketing, and education about financing options to remove the up-front capital barrier for upgrading to energy-efficient equipment. Particular focus in the second quarter was spent on outreach to trade partners. The Lighting – Small Business’ third-party implementer also worked with the Financing program consultant to integrate financing options and messaging into the free lighting assessment offered to customers. A formal alliance was established with Ascentium Capital.

- **Home Energy Audit** – The product had 1,206 electric and 1,605 natural gas participants in the second quarter. The Company continues to implement advertising to increase participation through year-end with onserts and email mailers. Additionally, the Company is working in coordination with the Colorado Energy Office and other neighboring utilities to evaluate inclusion of the U.S. Department of Energy’s Home Energy Score. The score would be built into the current software product which is required for use by approved trade partners in conducting the Home Energy Audits.

- **DSM Planning & Administration** – During the second quarter of 2015, the Company completed final inputs to the 2015/16 DSM Plan proceeding, initiated planning efforts for redlined Plan and compliance filing, and prepared for and participated in meetings related to Settlement commitments.

- **Program Evaluations** – Impact evaluations of the Home Lighting & Recycling and business Lighting Efficiency programs are currently underway. Research under the evaluations includes internal staff interviews, customer and trade ally surveys, benchmarking analyses, and NTG estimations. Final reports for the evaluations are expected near the year-end.

- **Measurement & Verification** – The Company’s third-party verification contractor, Nexant, continues random field inspections for prescriptive products, with no significant variances reported to date. The resulting data will be utilized for the 2015 DSM Annual Status Report.

- **Market Research** – Xcel Energy continues to utilize memberships and subscription services to maximize our ability to reach targeted customer segments and increase Company awareness of best practices. Of note, ad tracking research helps ensure effective energy efficiency messages are reaching customers. Additionally, the 2015 Residential Attitudes, Awareness, and Usage (AAU) study is scheduled for the fall; the study focuses on DSM program AAU with both participating and non-participating customers. Also, a Lighting Product Market Assessment is underway to assess lighting opportunities in Colorado, and to help understand the availability and extent of remaining stock of inefficient bulbs.

- **Product Development** – During the second quarter of 2015, the Company continued work on the implementation of the products added to the 2015/16 DSM Plan, and the Multifamily Building and the Smart Thermostat Pilots added through 60-Day Notices in 2014.
In addition to preparing for the launch of previously developed products the Company has been identifying potential new products that may be ripe for development. Gate 1 review of 162 potential new products / measures resulted in 22 of those being recommended for continued review in Gate 2, and an additional 9 of the 162 are progressing through the PD Express process.

The Product Development team completed the Gate 2 concept framing process and has selected 12 concepts to develop further this year. In addition, five concepts were selected to continue progressing through the PD Express process.

- **Energy Feedback Pilot** – Q1 expansion activities have been completed and approximately 480,200 new and legacy customers are now receiving bi-monthly or tri-monthly printed home energy reports. Monthly energy savings for the 100,200 legacy customers is averaging 25 kWh and 1.8 therms. Savings for the 380,000 expansion customers is being measured and will be reported following 2015/16 DSM Plan implementation. Savings for expansion customers is occurring at an (anticipated) lower rate, currently averaging 4.0 kWh and 0.32 therms. With ongoing treatment, monthly savings for the expansion group is expected to increase.

The Company continues to promote the online My Energy tools and recently engaged an Xcel Energy online panel to test messaging and delivery methods in order to better gain customer insights and improve email click-through rates to the My Energy tools. Some of the insights learned from the panel are that emails were by far the most preferred way for Xcel Energy to communicate about the My Energy tool and the most effective emails are straightforward, factual, and emphasize saving both energy and costs. The June My Energy marketing email incorporated many of these findings and as a result, we saw a significant improvement in both open and click-through rates; however, the click-through rate is still below the Company’s benchmark level.

- **Business Energy Feedback Pilot** – Two Business Energy Reports were delivered during Q2-2015 to approximately 10,000 small business customers. Delivery of an email version of the Business Energy Report also started in Q2. The emails are delivered monthly. The first energy savings measurement of the year yielded over 2.9 GWh of electric energy savings which is an average savings rate of 0.8% per participant. This exceeds the year-end electric target for the pilot by 13%. No natural gas savings have been measured as of the time of this filing.

- **Multifamily Building Pilot** – In Q2, the Company released an RFP for pilot implementation support services and selected a vendor. Preparations to offer building assessments and direct installation of energy efficiency products continues. The Company anticipates launching services to customers in mid-August.

- **Smart Thermostat Pilot – EE** – The Company finalized agreements with four smart thermostat partners – ecobee, EnergyHub, Honeywell, and Nest – and the pilot went live in June. This includes the online storefront where eligible customers can purchase qualifying thermostats with an instant rebate applied. The Company has yet to release the RFP for the M&V provider, due to the focus and time spent on manufacturer contract negotiations and for fully considering options for how to leverage cost saving contracting opportunities. With the partner agreements in place, the Company will continue development of the RFP for the M&V provider.

**Demand Response Program**

- **Saver’s Switch®** – At the end of the second quarter, approximately 1,300 new switches have been deployed at customer premises. To date, the promotional environment has been challenging with a substantial amount of customer sign-ups not leading to switch installations.
- **Smart Thermostat Pilot – DR** – EnergyHub will be the DR provider for the Smart Thermostat Pilot. The Company plans to have the software platform in place for testing during Q3, with a plan to call full-scale DR events in summer 2016.

- **Small Business Smart Thermostat Pilot** – This pilot will launch with the 2015/16 DSM Plan, September 1.

- **Building Optimization DR Pilot** – The Company has begun to identify pilot participants and will launch the pilot with the 2015/16 DSM Plan, September 1.