

May 18, 2022



On April 12, 2022, Public Service Company of Colorado (“Public Service” or “the Company”) issued a 60-Day Notice to modify its Residential Heating & Cooling, Whole Home Efficiency, and Income Qualified Single-family Weatherization products, as well as the Geo-targeting Pilot, to reduce the minimum efficiency standards and participation requirements for heat pump measures. Regarding space-conditioning heat pump measures, the Company worked with stakeholders to determine appropriate minimum efficiency levels which will result in customer savings and have sufficient equipment available on the market at an affordable price.

The Company received written comments on the Notice from the Energy Efficiency Business Coalition (“EEBC”) and supporting EEBC Members including Trane Technologies, Mitsubishi, Daikin Comfort Technologies, Carrier West, GA Larson, Vista Sales, City of Boulder, Boulder County, and City and County of Denver. The original Notice, stakeholder comments, and Company responses can be found on the Company’s website, here:

https://www.xcelenergy.com/company/rates_and_regulations/filings/colorado_demand-side_management

Based on the comments and direct conversations with EEBC, the Company determined that changes to the original Notice were not warranted. The Notice was implemented on May 13, 2022 without modification in order to get updated qualification requirements to trade partners as soon as possible in advance of the 2022 summer cooling season. A summary of comments and the Company’s formal responses are provided below:

1. Proposed Changes:

On behalf of the Energy Efficiency Business Coalition (EEBC), I am writing in support of the proposed rebate changes associated with EER and HSPF performance rating criteria for heat pump systems. In the short-term, EEBC feels these new requirements are a move in the right direction and will enable a greater portion of our manufacturer members’ premium inverter-driven, variable capacity ASHP, ccASHP and ccMSHP products to be eligible for heat pump rebates and further remove hurdles to participation.

Response:

The Company appreciates the engagement and feedback from EEBC and its members that informed the updates made in this Notice. The Company agrees these changes should enable greater participation in the Company’s DSM products and greater adoption of heat pump technologies by customers.

2. Next Steps:

This is a positive first step and we expect more changes to come through the 2023 DSM Extension filing, Strategic Issues filing, and 2024-2025 DSM full filing as EEBC's HVAC/HP Action Group (working group) continues working with Xcel Energy to enable the majority of its heat pump equipment and products to be eligible for rebates. EEBC's manufacturer and distributor members have agreed to provide data analytics and case studies from other utilities and energy efficiency programs across the country who have restructured their eligibility criteria for more participation and/or to eliminate EER with appropriate alternative methods.

Response:

The Company commits to continuing to engage with the EEBC's HVAC/HP Action Group to evaluate ideas and concepts identified in the EEBC's comment letter. The Company will implement beneficial, incremental changes as identified through those evaluations in either the 2023 or 2024-25 DSM Plans.