

➤ **Residential Pool Pumps Product – Summary of 60 Day Notice**

Public Service Company of Colorado proposes to offer a new direct savings product in 2013 called Residential Pool Pumps Product. This product will be part of the company's Residential Program.

The product was selected from proposals that were received in response to the Request for Proposals (RFP) for Innovative Technology identified in the CO Stipulation and Settlement Agreement in Docket No. 11A-631EG.

Additionally, in order to help address the energy savings shortfall for 2013, the Company agrees to issue a Request for Proposals during the first quarter of 2012 intended to solicit program proposals for achieving electric energy savings during 2013 by means of innovative program ideas for niche markets or markets where the company is under serving a customer segment. Program ideas brought forward during the Settlement discussions may utilize this avenue for inclusion in the DSM Plan. The company commits to bring forward one or more new programs if, after Company review, it appears that such programs are likely to be cost effective and will help the Company meet its 2013 energy savings goal. New programs may be implemented as either pilot or full scale programs, and will be added to the DSM portfolio by means of the 60-day notice process.¹

The Residential Pool Pump Product provides a point-of-purchase rebate to residential electric customers and a trade incentive to partners who sell qualifying energy efficient variable speed swimming pool pumps. We are currently working on a contract with a third-party consultant to handle the delivery of the Residential Pool Pump product. Additional funds for this program in 2013 will be handled within the flexibility of the 2013 approved budget and therefore, no approvals for budget are required.

Following this summary is a complete Product Write-Up. Additionally, we are posting deemed savings sheets which can be found on our DSM Website at the following link:

http://www.xcelenergy.com/About_Us/Rates_&_Regulations/Regulatory_Filings/CO_DSM

¹ Stipulation and Settlement Agreement, Docket No. 11A-631EG, page 10.

➤ Residential Pool Pumps Product

A. Description

The Residential Pool Pumps product provides a point-of-purchase rebate to residential electricity customers and incentives for trade partners to install qualifying energy efficient variable speed swimming pool pumps. We are currently working on a contract with a third-party consultant to handle the delivery of the Residential Pool Pump product.

This product encourages customers to purchase qualifying variable speed pool pumps with electronically commutated motors that use rare earth or permanent fixed magnets. It also encourages quality installation by proper commissioning and calibration that sets the pump to run at lower speeds, capturing additional energy savings.

The rebate process begins with a retailer selling a qualified pool pump to a Public Service Company residential electricity customer. On the sales invoice, the customer will receive a \$100 instant point-of-purchase rebate. Next, a qualified installer installs the pool pump and completes the necessary paperwork and rebate application, which includes validation of the qualifying pool pump and proper calibration to run at the most efficient speed necessary to capture the additional energy savings. The completed rebate application is submitted to the third-party consultant, which then issues a \$100 trade incentive to the seller of the pump, along with \$100 reimbursement to the seller for the previously extended customer rebate. The third-party consultant will submit to Public Service Company, on a monthly basis, an invoice for the number of processed rebates. The incentive will be subject to the existing terms and conditions of the current company prescriptive measures and processes.

The third-party consultant's field and rebate processing staff will perform a series of activities aimed at maintaining their business model integrity and compliance with the product requirements, including quality inspections, as needed, to ensure savings occur.

B. Goals, Participants & Budgets

Goals and Participants

We have worked with a third-party consultant to determine goals and participant level for 2013. We are anticipating 1,100 participants in 2013 and forecasting to achieve 690 net generator KW of demand savings and 1,910,234 kWh of energy savings.

Budgets

The forecasted spend for 2013 is based on projected participation levels and the funds needed to promote and administer the product. The majority of the product costs are for

administration, vendor marketing/training and customer rebates. The total funds forecasted for this program will be handled within the 2013 approved budget flexibility.

Residential Pool Pumps	2013 Forecasted Spend
Admin & Program Delivery	\$313,855
Advertising, Promotion, Consumer Ed	\$164,444
Participant Rebates and Incentives	\$110,000
Measurement & Verification	\$27,300
Total	\$615,599

C. Application Process

The rebate available through the Product will be a \$100 point-of-purchase instant rebate. The rebate process covers three key aspects of the sale and installation/calibration of the pump, as follows:

- Variable-Speed Pool Pump Sale: At the point of sale, the customer will provide a utility bill to verify he or she is a residential electric Xcel Energy customer. All verified customers will receive a line-item instant rebate of \$100 from the seller, with the rebate clearly identified on the sales invoice.
- Pump Calibration: The trade ally (most likely the seller of the qualifying pump) will manage the scheduling of a site visit and execution of the pump calibration according to Program protocol.
- Rebate Documents Submittal. For incentive payment, the seller of the pump will submit the necessary Program documentation to the third-party consultant. Required documents include a rebate form signed by the customer, an invoice for the sale of the pump with the line item indicating \$100 Public Service Company instant rebate, and a completed calibration report. The third-party consultant will then reimburse the seller of the pump the \$100 that was previously extended to the customer at the point of sale and an additional \$100 to support the costs associated with pump calibration and administration of rebate submission, for a lump sum of \$200.
- Rebate Invoices: the third-party consultant will submit monthly invoices to Public Service based on the number of processed rebates.

D. Marketing Objectives, Goals, & Strategy

Marketing for this product likely will focus on the development of targeted marketing tactics and support of cooperative partnerships. Marketing materials developed by the third-party consultant and approved by Company will be used to promote and implement the program. They intend to create product awareness and explain how a customer and trade partner can participate. All materials will be designed to explain product information in straightforward terms. Specific materials will be designed for targeted groups of manufacturers, retailers and customers, capitalizing on overlap whenever possible. Product materials will be branded, include incentive amounts, effective Product dates and other relevant information. The overall “look and feel” for all materials will be

established in coordination with Company and consistently employed throughout the Product.

The third-party consultant intends to work cooperatively on marketing tasks with a variety of Product stakeholders—including retailers, distributors, pool builders, and manufacturers—to allow the Company to maintain control of its messaging while leveraging the focused resources of industry partners. The responsibility for Program marketing will be shared by the third-party consultant and the partners it engages.

The third-party consultant will work closely with the Company's marketing department for approval of any program-related materials, and will present all marketing materials, messaging, and activities to the Company Program Manager for approval. The third-party consultant will develop online content that will reside on the Xcelenergy.com and ResponsibleByNature.com web sites.

E. Product-Specific Policies

Only pool pumps included in the qualified pool pump list, meeting Consortium for Energy Efficiency Tier 2 specifications will be eligible for a rebate. The third-party consultant will maintain and regularly update the qualified pool pump list. This product requirement will be communicated to the customer through the distributors, retailers, and on the Xcel Energy web site.

G. Stakeholder Involvement

The third-party consultant will work with regional distributors to identify potential trade allies while leveraging their relationships and expertise.

H. Rebate Levels

The proposed rebate level for the program is a \$100 rebate to Public Service residential electric customers at the time of purchase of a qualified energy efficient variable speed swimming pool pump.

I. Measurement & Verification

This product will be consistent with Company's current standard prescriptive product measurement and verification process for deemed savings.