

➤ Multifamily Buildings

A. Description

The Multifamily Buildings product is designed to engage multifamily building equipment owners⁴⁸ in deploying DSM measures that will lower customers' energy consumption. The product encourages DSM participation in this market segment by offering assistance in identifying energy efficiency improvement opportunities, both in-unit and in common areas. The product offering has a three-stage approach.

Stage 1: Energy Assessment

The first step is to complete a virtual or on-site energy assessment. Virtual assessments have been added as an option to reach customers in outlying areas of the Company's service territory where participation has been historically low due to added time and expense for travel. The assessment will identify opportunities for improving building energy efficiency via a specific set of direct-install measures (eligible measures are listed below under Stage 2). The assessment will include an inspection of a sample of units within each building, typically one of each unit type (e.g., 1 studio, 1 one-bedroom, 1 two-bedroom), as well as larger, capital-intensive projects for the whole building (Stage 3). The assessment is offered at no cost to the customer.

Stage 2: Direct-Install

The second stage of participation is direct installation of energy savings measures identified in the energy assessment. Installation is completed by the Company's third-party implementer. There are six eligible measures for Stage 2 that will be installed for no cost to customers:

- LED lamps
- Low-flow showerheads
- Kitchen and bathroom sink faucet aerators
- LED exit signs
- Eligible smart thermostats⁴⁹
- Other cost-effective measures to be identified

Participants will work with the third-party implementer to schedule installation.

Stage 3: Prescriptive or Custom Energy Efficiency Improvements

The third stage for participants involves the completion of prescriptive or custom energy-efficiency improvement projects such as HVAC upgrades, common-area lighting upgrades, or other projects currently eligible through the Company's prescriptive offerings or Custom Efficiency product.

⁴⁸Equipment owner could be the building owner, the tenant, or other third-party.

⁴⁹Eligible smart thermostats will be installed at no additional cost as long as the equipment is enrolled in the Company's Demand Management product upon completion of installation.

Implementation of Stage 3 projects may be challenging for several reasons: lack of ownership willingness, long sales cycle, capital constraints, market economics, etc. to overcome these barriers the third-party implementer will provide participants with advice on selecting a contractor and reviewing bids as well as periodically provide follow up consultations. Access to AMI interval data would help the third-party implementer during these consultations if they could show customers how their energy usage may affect their energy costs and what the savings might look like after energy efficiency upgrades.

The third-party implementer is crucial to the success of the product, as a consistent point of contact for participants. The third-party implementer will be responsible for advertising and recruiting participants, delivering the Stage 1 on-site energy assessment and Stage 2 measure installations, and successfully converting participants into Stage 3 projects in conjunction with the Company's Product Managers or BSC representatives.

With the installation of smart meters and the transition to the TOU rate in Colorado, the Company will work with the third-party implementer on bilingual educational efforts regarding the smart meter, new rate, and how customers may save money by shifting electricity use to off-peak hours when rates are the lowest.

B. Forecasts, Participants & Budgets

Forecasts and Participants

The participation forecasts for energy assessments, direct installs, and larger energy efficiency projects for 2023 are based on forecasts provided by the third-party implementer along with historical participation within the product.

Budgets

The bulk of the product expenditures will be for product administration and incentives to customers in the form of energy assessments and direct-installation of energy-efficient equipment. The budget also includes costs for prescriptive and custom rebates from Stage 3 projects.

Direct-install costs were developed based on the actual costs contracted between the Company and the third-party implementer and the forecasted participation. Rebates for Stage 3 are estimated by the third-party implementer based on deemed values from the anticipated mix of prescriptive and custom DSM measures.

C. Application Process

The product is available to multifamily buildings that are Public Service electric and/or natural gas customers. To participate, customers must apply through the third-party implementer, who will review applications and approve participants. Applications will be reviewed on a first-come, first-served basis. Upon meeting the qualifications for participation, customers will work with the implementer to schedule a virtual or on-site assessment (Stage 1).

D. Marketing Objectives & Strategies

The third-party implementer will recruit customers by leveraging their existing customer relationships and market expertise. Options for direct promotion by the Company may include the following:

- Marketing materials and brochures;
- A Webpage to educate interested customers, explaining how to participate and the benefits of participating;
- Attending multifamily events in the Company's service territory; and/or
- Co-hosting educational events with the third-party implementer.

E. Product-Specific Policies

All multifamily buildings must be Public Service electric and/or natural gas customers with five or more units per building to participate in this product. This primarily includes market-rate qualified buildings.⁵⁰ If a property has multiple buildings and at least 80 percent of the buildings qualify, the entire property may participate in the product.

F. Stakeholder Involvement

Initially, the Company worked closely with several external stakeholders to design this product initially. Today, the product has ongoing relationships with:

- Platte River Power Authority
- Energy Efficiency Business Coalition
- Ft. Collins Utility
- Southwest Energy Efficiency Project
- Colorado Energy Office
- City and County of Denver
- City of Boulder
- Boulder County
- ACEEE
- Colorado PUC Staff

The Company has also been active with national multifamily working group efforts to research successful utility multifamily programs and network with those program managers and staff. Primarily, the Company has participated in ACEEE's Utility Multifamily Working Group and E Source's Multifamily Leaders Group.

The Company has also worked with third-party implementers and other vendors to understand the tools and services available to this customer segment.

⁵⁰Low income qualified buildings should participate in the Low-Income Multifamily Weatherization product. If for some reason a building doesn't qualify for low income, the property can qualify for the market rate program.

G. Rebates & Incentives

The product provides a virtual or on-site energy assessment (Stage 1) and eligible direct-install measures (Stage 2) to participants at no additional cost. The product will provide direct rebates for eligible projects completed in Stage 3 based on savings calculations from the Company's Custom Efficiency model and prescriptive products deemed technical assumptions.