**EEBC Requests & Ideas for 2023 Xcel Energy DSM (Rebate) Plan**

**Document Contains a Running List of Ideas Under Discussion and Consideration by Industry Action Groups and/or EEBC Member Companies. Must be a Member to Participate.**

Initial Draft by Howard Geller & Patricia Rothwell 9/27/22

Contributing organizations mentioned if you’d like to call them to collaborate on your proposal submission.

Last Update as of 9/27/22

**To discuss your ideas, request(s), and/or proposals contact:**

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Dietze & Davis, EEBC Legal Counsel | Compiles member proposals into a “settlement package” to present and negotiate to Xcel Energy with EEBC on your behalf

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**GENERAL DIRECTION | REBATE PROGRAMS**

**Adopt 2022 bonus incentive levels year-round in 2023, in all electric EE product categories.** Xcel greatly underspent its approved electric EE budget and missed its savings target in 2021 and is likely to do the same in 2022 as well. With a recession looming, higher rebates are needed in 2023 in both residential and business products. And turning bonus rebates on and off during the year is detrimental to EE contractors and other trade allies!

**Educate consumers and trade allies about IRA tax credits and rebates in all cases where there is overlap between Xcel incentives and IRA tax credits and rebates.** Include info. on the IRA tax credits and rebates in ALL marketing materials, web pages, etc. where applicable. Doing so should help customers understand the full scope of the incentives that are available, thereby increasing participation in Xcel’s EE programs.

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**2023 DSM PLAN**

**RESIDENTIAL | REBATES BY INDUSTRY**

**Residential HVAC**

**Increase promotion, market support and heat pump participation targets considering new federal tax credits and incentives in the IRA.** In particular, double the participation targets. The proposed rebate levels, $1,500-$2,000, look reasonable particularly considering the new federal incentives.

**Reduce high efficiency furnace incentives and/or require installation of a dual fuel heat pump/gas furnace system to be eligible for a gas furnace rebate.** This should provide an additional boost for heat pumps.

**Regarding HPWHs, move to a midstream incentive approach to engage distributors and contractors to a greater degree and increase HPWH stocking as well as marketing.** Consider a combination of midstream and downstream incentives – say $500 for the consumer and $500 for the distributor…hopefully enough money to get WH distributors to respond.

**ENERGY STAR homes**

**More emphasis on getting builders to install HPs and HPWHs, even if overall home efficiency is not significantly greater than minimum code.** Add prescriptive incentives for builders that install ASHPs, mini-split HPs, HPWHs.

**Double or triple the incentive for all-electric new homes.** As proposed, these incentives are only $500 if the home is 10-15% better than code and $800 if 15-20% better than code in locations where the base code is 2018 IECC, and just $300 if the home is 10-15% better than code and $550 if 15-20% better than code in locations where the base code is 2021 IECC.

**Require some basic measures in all new homes qualifying for an incentive.** In particular, require a smart thermostat, efficient 1.5 gpm showerheads, efficient faucets, and LED lamps in all lights where bulbs are included in the home as built. This will maximize energy savings.

**Home Energy Squad**

**Drop programable thermostat measure and only install smart thermostats.** Also, consider requiring enrollment in the residential DR program in return for a free smart thermostat.

**Insulation and Air Sealing**

**Increase participation targets and budget considering new IRA tax credits and rebates.** Current projection is 735 insulation jobs/participants in 2023; move this up to say 1,500 participants in light of IRA.

**Test the neighborhood blitz approach to doing attic insulation and air sealing on a significant scale.** Conduct a trial in in one lower income/working class neighborhood using either current program contractor or hiring a specialized contractor through an RFP process. Target say 250 homes served, with a budget of about $600k for the trial. Pay majority but not all of the cost of each insulation and air sealing job.

**Multifamily Buildings**

**Expand focus on getting HPs and HPWHs installed in MF buildings that are going through rehab as well as new MF buildings.** Educate building owners about the opportunity, offer significant HP and HPWH incentives in combination with IRA incentives, and do some showcase buildings.

**Home Lighting**

**Drop big box stores from the program in 2023.** The Biden Administration has issued new federal standards prohibiting the import of light bulbs less than 45 LPW after 1/1/23 and the sale of such lamps at the retail level after 7/1/23. The big box stores only stock (or almost only stock) LED lamps these days, including LED reflector lamps and other specialty lamps, not just standard light bulbs.

**Maintain instore buydowns in dollar stores, grocery stores and the like in lower income neighborhoods, at least for one more year.** This will help reduce the first cost and increase sales of LED bulbs in these areas. Also, allow continued giveaway of LED lamps in the Home Energy Squad, school kits, at food pantries and at other promotional events in 2023. But scale the program back by eliminating all incentives in big box stores.

**Whole Home Efficiency**

**Add a performance approach based on whole house energy savings percentage to align with the incentives for whole house retrofit in the IRA under the Hope for Homes provision.** Actively promote the generous federal incentives along with Xcel rebates, with a focus on low- and moderate-income families (note there are income limits on qualifying for the federal incentives). Increase product budget and participation targets.

**BUSINESS**

**Business | HVAC/HP**

**Increase emphasis on promoting Heat Pumps.** Add incentives for ASHPs not just mini-split HPs. Target replacement of split system and packages ACs with HPs. Showcase cost-effective applications of HPs in commercial buildings.

**Business | Lighting**

**Greatly increase incentives for lighting controls, especially for network controls.**These devices are improving in performance and coming down in cost, but substantial incentives are needed at this time to get them established in the marketplace and adopted by building owners. Include support for the design of networked lighting controls as there is an added cost for proper system design. Also, consider implementing a pilot program that combines DR with network lighting controls.

**Increase rebates for exterior LED lamps and controls such as motion sensors.** While not coincident with system peak at this time, nighttime load should grow in the future and EV and HP penetration grows. There is still a lot of potential for cost-effective energy savings for businesses from converting to LED exterior lighting.

**Eliminate minimum wattage requirements for prescriptive incentives.** Lighting contractors in some cases can provide adequate light levels in their projects with lamp wattages below the minimum values that Xcel has specified in the product.

**Business New Construction – pp. 72-80**

**Add prescriptive incentives for HPs and HPWHs.** Educate builders and architects about potential applications for HPs and HPWHs in commercial buildings.

**Business | Small Business Solutions**

**Include direct install measures for all customers requesting a site assessment, not just customers under 100 kW.**

**LED Street Lighting**

**Add incentives for municipally-owned street light conversions to LEDs.**

**DEMAND RESPONSE**

**Residential | Peak Day Partners**

**Implement a pilot project in 2023 that would offer residential customers that already have AMI meters incentives to reduce peak demand on days when the Company has a need for peak reduction.** Provide control devices to customers that restrict certain appliances (like dishwashers, clothes washers or clothes dryers) from operating during peak demand periods, either for free or at a discount. AMI meters would be used to estimate the reduction in peak load achieved, with incentives paid to customers either as a set amount or per kW of achieved peak reduction. Use one of the current contractors or go through an RFP to hire a contractor to implement this pilot project.

**COMMERCIAL | REBATES BY INDUSTRY**

No Submissions to Date

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**2024-26 DSM PLAN**

**(Pending list for 2023)**

**Load Shifting/Tech Trending**

**Demand Response (DR)**

Conduct an RFP in the first half of 2023 to solicit ideas from vendors for potential new DR offerings – technologies and platforms – that achieve peak demand reduction by residential customers with AMI meters.

Based on responses, discussing 2 Options:

1. Design one or more products or pilot products at a minimum
2. Ideally propose a “FlexMarket” approach pilot to design a “flexible multi-product platform” and opportunity for many company products and services that will be paid for performance behind the meter. Pilot will enable multiple interrelated products and service to collaborate on exponentially increasing the savings goals DSM programs simultaneously.

**NOTES |**

* EEBC will add the 2021-2023 DSM Plan Proposals not accepted by Xcel Energy to the above list
* Reference Tools:
  + How to Write & Organization Your Proposal | Build Your Business Case
  + Roadmap to Intervening [Article] provide the an overview of this process that changes and makes Rebates as Xcel Energy through the Public Utilities Commission (PUC) Settlement Process every 2 years