Notification Date: March 9, 2026

Summary of 60-Day Notice: Clean Heat Beneficial Electrification Flex Budget

Public Service Company of Colorado, (the "Company"), provides this 60-Day Notice to inform stakeholders and customers of its use of 6.3 percent of the Colorado Public Utilities Commission (the "Commission") approved Clean Heat budget flexibility of up to 15 percent for beneficial electrification in 2025. The Commission approved the Clean Heat base budgets and the budget flexibility of up to 15 percent through Decision Nos. C24-00397 and C24-0601 in Proceeding No. 23A-0392EG.

A copy of this 60-Day Notice will be available on the Company's website at:
https://www.xcelenergy.com/company/rates_and_regulations/filings/clean_heat_plan

A. Incremental Spend

As part of its end-of-year budget reviews, the Company noticed that the number of heat pump rebates that were designated as replacing electric resistance heating as the primary heating source, which would classify the project as a Demand Side Management electric-only energy efficiency measure, was unusually high. The Company investigated all heat pump rebates that were designated as electric resistance heating replacements and found that 1,743 cases were incorrectly marked in their rebate forms and in actuality were cases of heat pumps replacing natural gas heating as the primary heating source. These cases were then appropriately reallocated to the Clean Heat beneficial electrification budget.

Due to the referenced reallocation, the Company spent $3,461,020 (or 6.8 percent) in excess of its 2025 base Clean Heat beneficial electrification budget of $54.8 million, which was within the Commission-approved budget flexibility of up to an incremental 15 percent of the approved budget per spend category. In the aggregate, the Company did not spend over the total approved Clean Heat Vertical 1 budget for 2025; the overspend was exclusively in the beneficial electrification portion of the budget for the reasons stated.

This was an appropriate and reasonable use of funds to support broader beneficial electrification, and the Company is currently working with trades to ensure rebate forms are correctly filled out and has made modifications to the rebate form to further ensure clarity.