

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF COLORADO

PROCEEDING NO. 25A-0036E

IN THE MATTER OF THE APPLICATION OF PUBLIC SERVICE COMPANY OF
COLORADO FOR APPROVAL OF ITS TARIFF ON-BILL FINANCING PROGRAM.

**COMMISSION DECISION ADDRESSING EXCEPTIONS
TO RECOMMENDED DECISION NO. R25-0682**

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I. BY THE COMMISSION

A. Statement

1. Through this Decision, the Commission denies the exceptions to Recommended Decision No. R25-0682 filed by Energy Outreach Colorado (“EOC”) on October 13, 2025, and grants, in part, and denies, in part, the exceptions filed by Public Service Company of Colorado (“Public Service” or “the Company”), Trial Staff of the Public Utilities Commission (“Trial Staff”), the Utility Consumer Advocate (“UCA”), and the Clean Energy Economy for the Region (“CLEER”), also filed on October 13, 2025.

B. Background

1. Procedural History

2. On January 6, 2025, Public Service filed in this Proceeding a Verified Application for Approval of its Tariff On-Bill Financing Program (“Application”). Public Service seeks approval of its tariff on-bill financing (“OBF”) program (“Financing Program”) in accordance with the settlement agreement approved by the Commission, with modifications, in Proceeding No. 23A-0589EG addressing the Company’s 2024-2026 Demand-Side Management (“DSM”) and Beneficial Electrification (“BE”) Plan (“DSM/BE Plan”).¹ Concurrent with its Application, Public Service filed a Motion for Waiver in which it seeks waivers of Commission Rules 3407(b)(IV) and 3407(b)(VII), 4 *Code of Colorado Regulations* (“CCR”) 723-3 that address the discontinuance of electric utility service (“Motion for Waiver”).

¹ Decision No. C24-0671, issued in Proceeding No. 23A-0589EG (September 18, 2024).

3. On March 19, 2025, the Commission issued Decision No. R25-0220-I, in which it set this matter for hearing, designated Commissioner Tom Plant as Hearing Commissioner pursuant to § 40-6-101(2)(a), C.R.S.

4. By Decision No. R25-0220-I, issued March 25, 2025, the Hearing Commissioner established parties to this Proceeding: Public Service; Trial Staff; UCA; EOC; CLEER; the Colorado Energy Office (“CEO”); Western Resource Advocates (“WRA”); Southwest Energy Efficiency Project (“SWEEP”); City and County of Denver (“Denver”); City of Boulder (“Boulder”); and Colorado Energy Consumers Group (“CEC”).

5. By Decision No. R25-0296-I, issued April 17, 2025, the Hearing Commissioner adopted a procedural schedule and scheduled an evidentiary hearing for July 10 through 11, 2025.

6. On August 8, 2025, the following parties filed closing Statements of Position: Denver, WRA, SWEEP, CEO, CLEER, UCA, EOC Boulder, Staff, and Public Service.

7. On September 22, 2025, the Hearing Commissioner issued the Recommended Decision, granting the Application with modifications.

8. On October 13, 2025, Public Service, CLEER, UCA, EOC, and Staff filed exceptions to the Recommended Decision.

9. On October 20, 2025, CEO, SWEEP, and Public Service filed responses to the filed exceptions.

2. Recommended Decision

10. The Recommended Decision finds on-bill financing to be an important tool in making BE and energy efficiency (“EE”) measures affordable and accessible to Public Service’s

customers and therefore approving the Company's implementation of an on-bill financing program is in the public interest.² The decision thus grants the Application but with modifications.

11. Specifically, the Recommended Decision modifies or addresses the program's financing terms, including the maximum loan repayment duration, subordination, maximum available per-premise financing amount, maximum program funding, and available interest rates. The decision also approves the program's disconnection procedures and grants the related Motion for Waiver filed by the Company. The Recommended Decision also approves the cost recovery approach proposed by Public Service and expands the list of measures eligible for the program. The Recommended Decision further extends OBF eligibility to the Company's gas-only customers for envelope efficiency measures but also defers to the Company the integration of renters into the program. Finally, the Recommended Decision provides guidance regarding the integration of rebates and provided objectives and areas of focus for the Company to consider as it prepares its next OBF filing as part of its 2026 DSM and BE Plan filing ("2026 DSM/BE Plan").

II. DISCUSSION

12. The Commission agrees with the Recommended Decision that implementation of an on-bill financing program is in the public interest and upholds the Recommended Decision with certain modifications, as explained below, based on the exceptions filed.

A. Pilot Program

13. The Recommended Decision describes the Company's initial OBF program, as approved by the Recommended Decision, as a "narrow financing program" that can be improved and honed over time.³ The program is given an "initial term of three years" for review and

² Recommended Decision at ¶ 29.

³ Recommended Decision at ¶ 29.

expansion from the 2026 DSM filing.⁴ The Recommended Decision suggests that the Commission view the program “as a first step in the establishment of an effective long-term OBF program.”⁵

14. In its exceptions, Staff argues that the OBF program approved by the Recommended Decision reflects “the vast majority of the Company’s proposal without incorporating necessary safeguards that properly define it as a pilot or introductory program.”⁶ Staff asserts the Recommended Decision also fails to adopt any proposed remedies to address acknowledged flaws. Staff concludes an OBF program “of this magnitude, without meaningful constraints, cannot be considered introductory.”⁷

15. According to Staff, a significantly scaled down OBF program, as compared to what was approved by the Recommended Decision, would be more “pilot-like” and would provide the Commission, the Company, and stakeholders with the opportunity to collect data on key elements of the program such as customer uptake, energy savings, administrative costs, and default rates.⁸ Staff explains that a pilot would enable the Company to better coordinate with the Collective Clean Energy Fund (“CCEF”), the entity providing third-party financing for the program, and resolve several of the outstanding uncertainties and help identify potential unintended consequences and unexpected issues that may not be apparent at the program’s outset. Staff therefore seeks to reduce, limit, or narrow the components of the approved OBF program.

16. EOC, in its exceptions, asserts the Recommended Decision disregards record evidence from multiple parties, including the UCA and Staff, who identified uncertainties in the

⁴ *Id* at ¶ 31.

⁵ *Id* at ¶ 81.

⁶ Exceptions filed by Staff at p. 6.

⁷ *Id* at p. 7.

⁸ *Id* at p. 8.

program's funding, contract structure, and consumer-protection framework.⁹ EOC urges the Commission to authorize "a limited, controlled pilot to evaluate repayment performance, affordability, and administrative feasibility before broader implementation."¹⁰ According to EOC, a pilot form of the OBF program would allow the Commission to monitor customer outcomes, repayment trends, and coordination with assistance programs before expanding it, which EOC contends is an approach consistent with precedent for first-of-its-kind programs.

17. In its response to exceptions, SWEEP argues that OBF programs are neither new nor novel.¹¹ SWEEP warns the Commission to "not further delay and limit customers' ability to access on-bill financing by only allowing the Company to take a half step forward in a manner that would prevent the vast majority of customers from participating in the program."¹²

18. We agree with the rationale laid out in the Recommended Decision and SWEEP's response and therefore deny Staff and EOC's exceptions on this issue and uphold the Recommended Decision. The Commission views the implementation of a more expansive OBF program than that proposed by Staff and EOC as a necessary step forward and emphasizes the program can be refined in the Company's upcoming 2026 DSM/BE Plan filing.

B. Program Budget Maximum

19. The Recommended Decision approves an initial funding level of \$10 million but further authorizes the program to expand to a budget of \$100 million during the initial 3-year term. The \$100 million maximum ties to the approval of a \$50,000 per-premise cap and an anticipated number of program participants.¹³

⁹ Exceptions filed by EOC at p. 3.

¹⁰ *Id* at p. 4.

¹¹ SWEEP response to exceptions at p. 7.

¹² *Id* at p. 8.

¹³ Recommended Decision at ¶ 49.

20. UCA argues in its exceptions that the \$100 million maximum is not supported by substantial evidence.¹⁴ UCA points out that Public Service only testified that CCEF has committed \$10 million and up to \$25 million to launch the program and that CCEF did not submit any written testimony or testify at the hearing confirming the potential to increase the capital funding amount to \$100 million.

21. UCA asserts the Recommended Decision disregards concerns raised by Staff positing that capital funding as high as \$100 million could be too much for CCEF and could jeopardize the entire program, causing harm to both program participants and ratepayers.¹⁵ UCA suggests that the Commission set the budget for this initial program at \$10 million.

22. Staff similarly objects to a program as large as \$100 million, arguing that the record contains no evidence that CCEF can viably provide more than \$10 million.¹⁶ Staff further faults the Recommended Decision for establishing a \$100 million maximum while also acknowledging that critical funding questions remain unanswered. Staff argues that if the Commission sets an initial capital expectation that CCEF cannot ultimately meet, the serious funding shortfall could destabilize the program and would increase risk to non-participating ratepayers. Staff concludes that the Commission should approve \$10 million as initial program funding because that amount “is the only level of funding supported by the record and it best ensures the program can launch without unforeseen consequences.”¹⁷

23. In its response to those exceptions, SWEEP states that the Recommended Decision strikes a fair balance regarding the program’s size, because it approves the initial funding amount

¹⁴ Exceptions filed by UCA at p. 8.

¹⁵ *Id* at pp. 11-12.

¹⁶ Staff exceptions at p. 10.

¹⁷ *Id* at p. 11.

of \$10 million but also allows Public Service to increase the program's capital through a 60/90-Day Notice process if additional funding is available.¹⁸ SWEEP contends that the Recommended Decision helps to ensure the program is of sufficient size to meet customer demand and is successfully launched. SWEEP argues that \$10 million is too small for the Company's customer base and is contrary to a \$50,000 per premise borrowing cap. SWEEP states: "A program that could only provide on-bill financing to approximately 666 to 4,000 customers over three years remains too small given the Company's overall customer base of 1.5 million electric customers."¹⁹ SWEEP further argues that, contrary to Staff's and UCA's claims, there is no risk of a funding shortfall or CCEF failing to deliver its promised benefits to customers, because, the Recommended Decision merely provides Public Service the option of proposing to expand the size of the program beyond \$10 million if there is sufficient funding to do so.²⁰ SWEEP further points to evidence in the record it claims supports the \$100 million amount.

24. Likewise, CEO clarifies in its response to exceptions that the Recommended Decision "does not mean that the program will necessarily use [\$100,000 million] even if it becomes available; the actual use of the program will be a function of the program size based on available funding and customers choosing to use that funding to finance measures that will help them to better manage their energy use and help the state achieve broader policy goals."²¹ CEO thus recommends the Commission reject the exceptions and determine that allowing CCEF "to run a program with up to \$100 million in capital, if it is available, is in the public interest."²²

¹⁸ SWEEP response to exceptions at p. 5.

¹⁹ *Id* at p. 7.

²⁰ *Id* at p. 9.

²¹ CEO response to exceptions at p. 6.

²² *Id* at p. 7.

25. We agree with CEO and SWEEP and deny Staff and UCA's exceptions on this issue. We are not convinced it is necessary to constrict or otherwise alter the scope and implementation of the Company's initial OBF offering to be implemented consistent with the modifications required by the Recommended Decision. For instance, permitting the program to scale beyond the initial \$10 million budget and beyond the Company's proposed \$25 million budget is consistent with the Recommended Decision's approval of a broader OBF program. We further find that Staff and UCA's concerns are mitigated by the Recommended Decision's requirement that any funding above the \$10 million budget is subject to a 60/90-day notice process.²³

C. Cost Recovery and Funding Sources

26. The Recommended Decision approves Public Service's proposal to recover startup and administrative costs through the Company's DSMCA. The costs incurred would be charged against the approved budget of the Public Service's 2024-2026 DSM/BE Plan. The anticipated \$700,000 of CCEF-related costs would be recovered over a three-year period, while the Company's start-up expenses of \$500,000 would be recovered in the first year of the program, and \$50,000 of ongoing administrative costs would be recovered each year.²⁴

27. Staff raises several objections to recovering the costs of the proposed program from all ratepayers as is the result when the costs are recovered through DSMCA. Staff calls some of these concerns "cross-subsidization."²⁵ Staff states, "[w]hen the Commission has required ratepayers to pay for incentives to support policy goals, it has generally done so with an understanding of the relationship between the costs and benefits of such an approach. It should

²³ Recommended Decision at ¶ 49.

²⁴ *Id* at ¶¶ 61-64.

²⁵ Staff exceptions at pp. 14-17.

apply the same rigor to proposals to use ratepayer dollars to subsidize interest rates for [OBF program] participants.”²⁶ Staff highlights that the OBF program is a “voluntary program that will only be available to select customers” and then concludes that it “strains credulity that this program, as conceived, could be considered anything other than cross-subsidization of costs under the guise of permissible socialization.”²⁷

28. Staff also claims that the Recommended Decision mischaracterizes its position on cost recovery. Staff clarifies that it does not oppose the eventual use of the DSMCA to recover certain OBF program costs. Instead, Staff’s objection is for DSMCA cost recovery to begin without analysis and consideration of cost responsibility and program benefits.²⁸

29. Staff further objects to the use of funds associated with programs pursuant to the multi-party settlement in the Company’s 2024-2026 DSM/BE Plan. Staff claims that such use of program-related funds is “intentionally undermining already agreed-upon budgets in separate proceedings based only upon a subjective belief that a settlement agreement ordering the Company to bring an application for a new program impliedly also carves out a piece of the budget to pay for that future program.”²⁹ Staff alleges that no party has offered any compelling argument as to why recovery of costs through a DSM or BE budget is not a substantive and material change to the approved settlement agreement.³⁰

²⁶ *Id* at p. 17.

²⁷ *Id* at p. 16.

²⁸ *Id* at pp. 16-17.

²⁹ *Id* at p. 19.

³⁰ *Id* at pp. 17-18.

30. Relatedly, UCA states in its exceptions that “[i]t is unclear whether the Recommended Decision intends for these costs to be exclusive to the DSMCA-E rider, or if costs for gas-only customers will be assessed to the DSMCA-G rider.”³¹

31. Public Service responds to Staff’s exceptions by arguing that Staff’s legal argument—that is, that the Recommended Decision results in an unlawful modification to a Commission approved settlement agreement governing the Company’s 2024-2026 DSM/BE Plan—is unclear and unconvincing.³² Public Service states that the approved budgets associated with the DSM/BE plan do not tie to any specific program but instead are subject to the flexible use of moneys “as necessary to pursue [plan] goals.”³³ And contrary to Staff’s view, Public Service asserts that the plan expressly includes a “financing program” and that the proposed use of DSM/BE budgets to support OBF will not limit spending on those other programs as alleged by Staff. Public Service further notes that the 2024-2026 DSM/BE Plan is designed to permit the introduction of programs—such as an OBF program—within the Commission established budget levels.³⁴

32. Public Service also asks the Commission to reject Staff’s proposed delay in cost recovery until after the next DSM/BE application proceeding.³⁵ Public Service explains that Staff’s approach will essentially result in no cost recovery for the OBF program proposed in this case. Public Service concludes that “[i]t would not be reasonable for the Commission to deny the Company its ability to recover the cost of this DSM/BE Plan program for multiple years, and yet at the same require the Company to launch it, especially given that the Company will not receive

³¹ UCA exceptions at pp. 17-18.

³² Response filed by Public Service at p. 3.

³³ *Id.*

³⁴ *Id.* at p. 4.

³⁵ *Id.*

financial rewards for the success of the program, such as through any Performance Incentive Mechanism.”³⁶

33. We agree with the Company that cost recovery can be approved in this Proceeding and that the cost recovery can occur through the DSMCA and be charged against the Company’s 2024-2026 DSM/BE Plan budget. We therefore deny Staff’s exceptions on this issue and uphold the Recommended Decision. We find it is reasonable to permit the Company to recover costs for the OBF program through the same proceeding requiring the Company to launch the program. We also find that permitting the Company to recover costs through the DSMCA-E rider to be a reasonable interpretation of the settlement agreement governing the Company’s 2024-2026 DSM/BE Plan. We agree with Public Service that the approved budgets in the settlement agreement are not tied to specific programs and a financing program is clearly contemplated within the settlement agreement. We are also persuaded that the proposed use of DSM/BE budgets to support OBF will not limit the Company’s spending on the other programs approved through the settlement agreement. Regarding UCA’s request for clarification, we find that, considering the intent of the OBF program is almost entirely designed to support the implementation of BE and electric EE measures, recovery for the initial 3-year period is properly made through the DSMCA-E rider. Necessary cost recovery from the Company’s gas customers is, however, a matter to be addressed upon consideration of the expansion OBF from the 2026 DSM filing.

D. Regulatory Asset for Loan Loss Reserve

34. The Recommended Decision leaves consideration of a regulatory asset for a loan loss reserve to support the program to the 2026 DSM/BE Plan application proceeding.³⁷

³⁶ *Id* at pp. 4-5.

³⁷ Recommended Decision at ¶ 81.

35. In its exceptions, Public Service asks the Commission to further consider the establishment of a deferral mechanism now, in this Proceeding, due to the new directives and guidance in the Recommended Decision.³⁸ The principal change supporting this request is the potential initial capital amount reaching \$100 million; but the Company also points to the potential program eligibility of gas-only customers and to recent negative actions taken by the federal government related to clean energy projects.

36. Public Service explains that CCEF requires the loan loss reserve due to “the large capital growth aspiration of the Commission, the inclusion of riskier customer segments into the program, and changes in financial markets for the type of funding provided by CCEF.”³⁹ Public Service contends that the regulatory account would facilitate an approximate 0.5 percent interest rate reduction on financed amounts in the program and support CCEF’s ability to raise capital contributions beyond \$10 million.

37. Public Service also proposes a cap on the deferred account of \$5 million, or 5 percent of the \$100 million initial budget contemplated by the Recommended Decision.⁴⁰

38. In its response to these exceptions, SWEEP states that it supports the establishment of the regulatory asset because it should function as an initial credit enhancement to reduce risks and interest rates, “which would be a move toward the zero and near-zero interest rates that SWEEP proposed in this proceeding and that Commissioner Plant supports in the next on-bill financing filing.”⁴¹ However, if the Commission approves the regulatory asset, SWEEP asks the Commission to order the Company to reduce the initial interest rates by 0.5% and to work with

³⁸ Public Service exceptions at p. 11.

³⁹ *Id* at p. 12.

⁴⁰ *Id.*

⁴¹ SWEEP response to exceptions at p. 16.

CCEF to raise up to \$100 million in capital for the initial three-year term “to ensure Public Service takes these actions.”

39. We grant Public Service’s exceptions on this issue and approve the establishment of a loan loss reserve as proposed by Public Service. We are persuaded of the need for a regulatory asset considering our preference of a loan loss reserve to disconnections as well as the expansions of the OBF program made in the Recommended Decision and upheld in this Decision. We are further persuaded that with the implementation of a loan loss reserve and the limited flexibility afforded to Public Service and CCEF regarding the finalization of disconnection policies related to nonpayment, the interest rates offered through the program should be reduced by 0.5 percent as suggested by SWEEP. To that end we direct the Company to work with CCEF to reduce the initial interest rates by 0.5%. For the Commission to be made aware of the effects of the regulatory asset, we also direct the Company to file, as part of the 2026 DSM/BE filing, a report detailing the impact of the loan loss reserve on the OBF program.

E. Maximum Per-Premise Loan Amount

40. The Recommended Decision finds a \$50,000 financing maximum to be necessary and reasonable. It states that OBF loan amounts are expected to match the installation costs of most eligible measures and that most loans will be lower than the \$50,000 maximum. However, it also highlights that heat pumps are likely more expensive, especially when combined with building envelop measures.⁴²

41. UCA asks the Commission to reject the \$50,000 level and instead lower the amount to \$25,000.⁴³ UCA argues that amounts exceeding \$25,000 result in participants “overextending

⁴² Recommended Decision at ¶¶ 41-45.

⁴³ UCA exceptions at p. 8.

themselves” and risking disconnection. UCA further argues that there is no evidence that the program-driven loan payment amounts associated with a \$50,000 project are reasonable and affordable. UCA also cites the lack of any cost-benefit analysis associated with the \$50,000 level as well as the evidence put forward by Staff showing that other utilities offer average loan amounts in the \$20,000-\$25,000 range.⁴⁴ UCA states that its proposed \$25,000 cap “balances furtherance of the purpose of the program” and “would more reasonably protect utility customers against loan defaults and possible disconnection.”

42. UCA further argues that the “conditional ruling” in the Recommended Decision as related to the maximum loan amount “inappropriately surrenders Commission authority to the Company and CCEF.”⁴⁵

43. Staff similarly argues in its exceptions that a borrowing cap of \$50,000 enables “unaffordable loan amounts that may overburden individual participants,” noting that adds more risk to income-qualified (“IQ”) customers—“the very group that the [OBF] program is intended to benefit the most.”⁴⁶ Staff further highlights that there is no enforceability over even the possibility to verify protections due to an alleged lack of transparency in the contract with CCEF.⁴⁷ Staff argues that it’s proposed \$15,000 cap strikes a balance between increasing the upfront affordability of meaningful energy efficiency upgrades and protecting participants from negative financial consequences.

44. In its response to those exceptions, CEO reiterates its position in the case that the need for financing to support DSM and BE measures is especially great today given recent

⁴⁴ *Id* at p. 9.

⁴⁵ *Id* at p. 10.

⁴⁶ Staff exceptions at pp. 6-7.

⁴⁷ *Id* at p. 9.

Congressional action which eliminated the Residential Clean Energy Credit, Energy Efficient Home Improvement Credit, New Energy Efficient Home Credit, and Clean Vehicles Credits. According to CEO, the \$50,000 maximum per customer reflects the importance of funding these projects, and the fact that other sources of funding for DSM and BE measures have disappeared. CEO adds that the \$50,000 maximum further ensures that customers can complete larger, more comprehensive home energy upgrades and electrification projects than they otherwise would. CEO concludes that it is up to individual customers to assess what level of financial obligation they can handle.⁴⁸

45. We are persuaded that the maximum per-premise loan amount established in the Recommended Decision is reasonable to provide access to high cost, large and comprehensive home energy upgrades as highlighted by CEO. We therefore deny UCA's and Staff's exceptions and uphold the Recommended Decision.⁴⁹ We also reiterate the Recommended Decision's preference for Public Service to work with CCEF to apply rebates prior to financing in order to reduce a customer's monthly payment obligations under the OBF program. As discussed below, the Commission takes seriously the concerns regarding IQ customers raised by Staff and other parties; however, these concerns do not persuade us to lower the financing cap.

F. Loan Duration

46. The Recommended Decision requires Public Service to work with CCEF to include an additional 15-year option implemented according to certain "tenets" as proposed by

⁴⁸ CEO response to exceptions at p. 9.

⁴⁹ Commissioner Blank dissents on this point and would set the maximum financing level at \$25,000 as proposed by UCA.

Public Service.⁵⁰ The principal tenet appears to the Commission to be the requirement that a 15-year term is not available for measures that have a useful life of less than 15 years.

47. Staff objects to this directive. In its exceptions, Staff argues that a 15-year loan term may extend well beyond the useful life of many energy efficiency upgrades and increases the likelihood that the original customer will leave the premises before the loan is repaid.⁵¹

48. In its exceptions, Public Service claims that it never agreed to a 15-year payment option and that the Recommended Decision thus errs when stating that the Company “agreed to extend the maximum possible repayment term to 15 years, subject to several ‘tenets’.”⁵² Public Service also asserts the record fails to demonstrate that CCEF can support a 15-year offering in the initial launch of the program. Public Service thus requests that the Commission instead direct the Company to continue working with CCEF on the potential for repayment terms beyond 10 years, with an update on the ability of the program to include such longer repayment terms in the Company’s 2026 DSM filing.⁵³

49. We are convinced by the concerns raised by Staff and Public Service, but we also recognize the relationship between loan duration and the level of monthly payment obligations. We find that the duration of a loan should be commensurate with the useful life of an energy upgrade. We therefore do not order Public Service to necessarily include a 15-year offering. Instead, we direct the Company to continue to work with CCEF to develop repayment terms beyond 10 years based on the weighting (by cost) of the useful lives of the bundled measures

⁵⁰ Recommended Decision at ¶ 35.

⁵¹ Staff exceptions at p. 9.

⁵² Public Service exceptions at pp. 6-7.

⁵³ *Id* at 7.

included in the financing according to their useful lives and file an update regarding the progress on this issue with the 2026 DSM/BE filing.

G. Eligible Measures

50. The Recommended Decision approves the list of eligible measures proposed by Public Service in its Rebuttal Case but also directs it to “work with CCEF to include... all rebate-eligible measures that are related to energy efficiency and BE as well as building envelop measures such as floor insulation, duct sealing, windows, and doors.”⁵⁴

51. The Recommended Decision goes on to “support” or “encourage” the eligibility for OBF for: battery energy storage systems enrolled in a demand response (“DR”) program or a virtual power plant (“VPP”); electric vehicle (“EV”) chargers that are enrolled in a managed charging program; windows and doors that meet ENERGY STAR v.7 standards; and EV charger replacement for the EV Accelerate at Home (“EVAAH”) program. These measures are to be eligible “within six months of a final decision in this Proceeding”.

52. Public Service seeks several clarifications regarding eligible measures, specifically seeking clarity surrounding Paragraph 71 of the Recommended Decision. Public Service claims that there are unclear directives of what exact measures the program include.

53. First, the Company asks whether the Recommended Decision approves only “permanent” measures as being eligible for the program’s financing.⁵⁵

54. Second, assuming the Commission is in agreement that only permanent measures are appropriate for inclusion in the program, the Company asks the Commission to direct the

⁵⁴ Recommended Decision at ¶ 71.

⁵⁵ Public Service exceptions at p. 4.

Company to work with CCEF to include a final list of permanent energy efficiency and BE measures that CCEF can support at program launch.

55. Finally, Public Service seeks clarity regarding the following specific measures for eligibility at program launch: battery storage enrolled in a DR or VPP program; EV chargers with managed charging; certain windows and doors that meet ENERGY STAR v.7 standards; and EV charger replacements in the EVAAH program.

56. We clarify that the OBF program approved by the Recommended Decision and this Decision shall only be available to eligible customers to finance permanent measures. We specifically clarify that the following shall be deemed eligible for OBF financing: battery storage enrolled in a DR or VPP program for the duration of the loan; EV chargers subject to managed charging for the duration of the loan—which may require changes to the enrollment process for managed charging to an “opt out” structure from the current “opt in” structure with an annual election; and EV charger replacements in the Company’s EVAAH program subject to managed charging for the duration of the loan. We also clarify that windows and doors that meet ENERGY STAR v.7 standards are eligible for financing through the approved OBF program. Finally, to further foster clarity, we take the Company’s suggestion and direct Public Service to work with CCEF to publish a final list of permanent EE and BE measures that CCEF can support at program launch, however, we would like to also clarify that the Commission considers EV chargers to be permanent installations.

H. Disconnection

57. The Recommended Decision states “[i]t is the desire of the Hearing Commissioner that the Company work with CCEF to provide a more consistent policy that would not allow for disconnections if the customer is in good standing on utility bill payment” and goes on to agree

with Staff and CEO that “disconnections are a component of the balancing of the Company’s Financing Program as it stands right now in its negotiation of rates and process with CCEF.”⁵⁶ Because the decision agrees with Staff and CEO, it grants the Company’s Motion for Waivers addressing specific provisions in the Commission’s Electric Rules, such as Rules 3407(b)(IV) and (VII), among others.

58. UCA alleges that the “waiver findings” that permit “such a severe consumer sanction” are not supported by the evidentiary record.⁵⁷ UCA states that neither Public Service nor CCEF provided evidence that customer disconnection policies have the intended effect of improving loan performance. In contrast, UCA puts forward examples of “absurd” disconnection scenarios, such as a renter “current on their utility bill but delinquent on an OBF-loan obtained by their landlord, and nevertheless have service disconnected and risk potential eviction or loss of housing assistance.”⁵⁸ UCA suggests that, based on the record and alleged equivocations in the Recommended Decision the Commission should not allow customer disconnections for non-payment of OBF obligations.⁵⁹

59. In response, CEO asks the Commission to reject UCA’s request. CEO argues that because subordinating the financing obligation to the utility bill creates a degree of vulnerability for CCEF, it needs to use the threat of disconnections as a mechanism to ensure customers repay their financing obligation in order to below-market interest rates.⁶⁰ CEO further offers that it would likely not be possible to lower interest rates without maintaining the potential of disconnection for

⁵⁶ Recommended Decision at ¶ 60.

⁵⁷ UCA exceptions at p. 12.

⁵⁸ *Id* at p. 13.

⁵⁹ *Id* at p. 14.

⁶⁰ CEO response at p. 9.

non-repayment under the proposed program structure, where even lower rates are sought by the Recommended Decision.

60. We agree with the rationale in the Recommended Decision and outlined by CEO and deny UCA's exceptions on this point. We recognize the importance of the option to pursue service disconnection for failure to meet the terms of OBF loans to the negotiations between Public Service and CCEF particularly regarding the availability below market interest rates. However, we note that the approval of the loan loss reserve above may obviate or lessen the need for service disconnection, and we thus encourage the Company to work with CCEF to develop a disconnection policy and procedure that reflects the introduction of the loan loss reserve and to more transparently identify how credit support like the loan loss reserve and disconnection capabilities impact interest rates, both together and separately.

I. Renters and Income Qualified Customers

61. The Recommended Decision finds that "the issue of renters and on-bill financing is potentially complex," and further directs Public Service "to continue to work with CCEF on mechanisms to include renters with appropriate guardrails."⁶¹ The Recommended Decision also finds that the proposed OBF program "is likely a cost-effective way to reduce barrier to participation in the Company's DSM program, especially among IQ customers."⁶² It goes on to recite from previous decisions in other proceedings the Commission's discussions about and preferences for IQ customer participation in the Company's DSM programs. The Recommended Decision also identifies "a general dissatisfaction with the proposed interest rates" based on previous Commission decisions that address the "importance of low interest rates in making an

⁶¹ Recommended Decision at ¶ 77.

⁶² Recommended Decision at ¶ 13.

OBF offering accessible to IQ customers.”⁶³ The Recommended Decision ultimately states a preference “for the Company to offer two interest rate tiers: a 0 percent rate for ‘targeted customers’—which includes IQ and disproportionately impacted (“DI”) customers as well as those who are located in strategic areas of the distribution system and where controllable load would advantage the system—and a 2 percent rate for all other customers.”⁶⁴

62. In its exceptions, EOC contends that the program has “an extremely minimal eligibility standard” with no additional screening for affordability, energy-assistance participants, or risk of disconnection.⁶⁵ EOC thus asks the Commission to exclude IQ customers from OBF program participation until a framework of protection and affordability measures can be put in place. EOC concludes that the incompatibility between OBF loan obligations and affordability programs remains unresolved and therefore asserts that IQ customer participation should be deferred.⁶⁶ EOC further warns that the Recommended Decision is launching a program “when all energy assistance programs in Colorado are experiencing a decrease in available state and federal funding.”⁶⁷ EOC states is concerned that allowing IQ customers to enroll introduces an additional payment obligation that cannot be covered by existing safety nets, echoing UCA’s concerns regarding disconnections that “customers could lose utility service for missing a [OBF] payment even while staying current on their energy charges.”⁶⁸

63. EOC also raises practical concerns. It states that until utility assistance providers can distinguish energy charges from OBF program charges in existing portals, they could be

⁶³ *Id* at ¶ 51.

⁶⁴ *Id* at ¶ 55.

⁶⁵ EOC exceptions at p. 4.

⁶⁶ *Id* at p. 7.

⁶⁷ *Id* at p. 5.

⁶⁸ *Id* at p. 6.

prevented from accurate arrearage tracking, which in turn, could delay emergency assistance.⁶⁹ Likewise, EOC states it understands that the program will not perform any income screening; thus, for IQ customers who have successfully been referred to energy assistance, there should be extra consideration for their identified and verified energy insecurity and need for enhanced consideration, meaning that the program should not be available to these customers at this time because the risks outweigh the potential benefits.⁷⁰

64. With respect to renters, EOC argues in its exceptions that they should be excluded from the program until notice, consent, and liability procedures, such as creation of an OBF-specific stakeholder process and a formal 60/90-day notice requirement, are established.⁷¹ EOC states that renter participation would be premature and inconsistent with record evidence demonstrating unresolved consumer-protection issues. EOC also objects to the Recommended Decision's support of renter-related provisions being established between CCEF and Tri-State.⁷²

65. UCA likewise criticizes the Recommended Decision for failing to resolve concerns raised by several parties about renter participants in the OBF program.⁷³ UCA argues that allowing Public Service and CCEF to incorporate renters in whatever manner they alone deem appropriate is not supported by demonstrable evidence to show the action is in the public interest. UCA goes on to argue that the Recommended Decision "surrenders to third parties the Commission's obligation to base its decision on whether there is 'substantial evidence' in the record to support the request and its obligation to act in the public interest".⁷⁴ UCA further posits that there may be

⁶⁹ *Id* at p. 7.

⁷⁰ *Id* at p. 8.

⁷¹ EOC exceptions at p. 9.

⁷² *Id* at pp. 9-10.

⁷³ UCA exceptions at p. 13.

⁷⁴ *Id*.

statutory prohibitions outside of Title 40 that might prevent renter participation in the program. UCA thus requests that the Commission reject the Recommended Decision's finding to allow for the unrestricted inclusion of renters at this time.⁷⁵

66. We find that on-bill financing has the potential to provide significant benefits to renters and IQ customers and do not agree that it is necessary to exclude them from the Company's initial offering. Enhancing OBF accessibility to customers is critical to the success of the program and therefore find that excluding entire segments of customers is inconsistent with the intent of providing such a program. However, we acknowledge the significant concerns raised by EOC and UCA and thus require the Company and CCEF to take them into account as they work towards incorporating renters and IQ customers into the program.

67. To that end, we require Public Service to use the 60/90-day notice process when renters are proposed to be eligible to participate in the program. This approach will give the parties an opportunity to review the details of the renter-related provisions of the program and, if necessary, to bring their concerns before the Commission. Likewise, in light of EOC's advocacy in the Proceeding relating to IQ customer participation, we find it is in the public interest to permit OBF financing for IQ participants only when the financed measures result in a level of utility bill savings that are sufficient to offset the loan obligations. We find such a restriction necessary to protect vulnerable populations while still providing access to the program. We therefore direct Public Service to work with CCEF and stakeholders, as necessary, to develop such safeguards within six months of a final decision in this Proceeding.

⁷⁵ *Id* at p. 14.

J. Gas-Only Customers

68. The Recommended Decision finds unconvincing Public Service's rationale for excluding the Company's gas-only customers from participation in the OBF program. It instead expands eligibility to gas-only customers but only to finance "envelop efficiency measures."⁷⁶

69. In its exceptions, Public Service states that it will not object to this directive. But it now seeks a legal finding that the Company requires similar waivers of the Commission's Gas Rules that would prevent the Company from disconnecting customers for their gas bill delinquencies, including those associated with OBF payment obligations.⁷⁷

70. Public Service also reiterates that CCEF considers gas-only customers a "riskier market." Public Service warns that the directive to include gas-only customers is a "material modification" to the vendor agreement now under consideration and that "significant revisions to program elements may require the restarting of contractual negotiations and delay program implementation."⁷⁸ The Company thus asks the Commission for the "ability to work with CCEF and roll into the program the eligibility of gas-only customers for building-shell measures over time after program launch."

71. In its exceptions, UCA posits that if program costs are wholly assigned to the electric DSMCA, "the Company's electric (and dual fuel) ratepayers will be responsible for subsidizing gas-only ratepayers to participate in the Company's OBF programs, irrespective of whether financing programs are or become available from their own electric utility. By contrast, if costs are (also) assigned to the DMSA-G, then gas-only customers will be unfairly discriminated against by not having the full-suite of OBF measures available to them as compared

⁷⁶ Recommended Decision at ¶ 80.

⁷⁷ Public Service exceptions at p. 9.

⁷⁸ *Id* at p. 10.

to options available similarly situated electric or dual-fuel customers.”⁷⁹ According to UCA, the Commission should reconsider and clarify how program costs will be assigned and then determine whether the findings of the Recommended Decision regarding gas-only customers can be fairly and equitably administered.

72. SWEEP asks the Commission to uphold the Recommended Decision’s conclusion that the program be available to gas-only customers for financing weatherization and envelop efficiency measures.⁸⁰ SWEEP argues that excluding gas-only customers would result in more inequity than the issues raised by UCA, as these customers should also be able to participate in a program that provides them with low-cost financing to make their homes and businesses more energy efficient.⁸¹ SWEEP also points to other Commission decisions that ordered the Company to include gas-only customers in programs and to make the programs “consistent and uniform” across dual fuel, gas-only, and electric-only customers.⁸² If the Commission grants Public Service’s request for a “phase in” of gas-only customers, SWEEP recommends the Commission adopt Boulder’s proposal to “phase in Gas-Only customers within 6 months of launching [the Financing Program] to electric customers, but not later than September 30, 2026.”⁸³

73. Consistent with the findings made in this Decision and the Recommended Decision, we conclude that including gas-only customers in the OBF program is in the public interest. We therefore uphold the Recommended Decision’s expansion of the program to gas-only customers with the provision that the OBF option is only for envelope efficiency measures. We reiterate an interest that the Company work with CCEF to provide more expansive integration

⁷⁹ UCA exceptions at p. 18.

⁸⁰ SWEEP response at p. 10.

⁸¹ *Id* at p. 11.

⁸² *Id* at p. 12.

⁸³ *Id*.

of gas-only customers within six months of a final decision. Consistent with these findings and directives we also grant a waiver of the Commission's Gas Rules commensurate with the waiver granted regarding the Commission's Electric Rules to the extent they would prevent the Company from disconnecting customers for their gas bill delinquencies, including those delinquencies associated with the OBF program payment obligations. According, we grant Public Service permanent waivers from Rules 4407(b)(IV) and 4407(b)(VII) as well as any additional waivers or variances necessary to implement the Company's OBF program. However, as with the provision of disconnections for electric customers, we note that the approval of the loan loss reserve may obviate or lessen the need for service disconnection, and we thus encourage the Company to work with CCEF to develop a disconnection policy and procedure that reflects the introduction of the loan loss reserve.

K. Compliance Tariff Filing

74. The Recommended Decision requires Public Service to file a compliance tariff, in the form of the pro forma tariff sheet filed in its Rebuttal Case, to begin implementing the program. The filing is due five business days after the Recommended Decision becomes a final Commission decision, if that is the case.

75. In its exceptions, Public Service states that it appreciates the compliance advice letter tariff process established by the Recommended Decision. However, the Company reiterates that it does not yet have a final vendor agreement with CCEF because it will have need for a final Commission decision in this Proceeding to complete negotiations and file the executed agreement, under appropriate confidentiality designations, if applicable.⁸⁴ According to Public Service, a tariff

⁸⁴ Public Service exceptions at p. 13.

to implement the program should not be filed and sought to be made effective before that negotiation and vendor agreement execution process has completed. The Company thus requests greater flexibility as to the date certain that it must file its compliance advice letter tariff, proposing that it should file that compliance advice letter tariff no later than 30 days after it submits the executed vendor agreement in this Proceeding.

76. UCA notes that the Recommended Decision does not speak to Public Service's offer to provide a copy of the final contract with CCEF. UCA argues that having the contract to review would help the Commission understand the OBF programmatic elements and decide whether the program operates in the public interest. UCA asks the Commission should to order Public Service to provide a copy of its fully executed contract with CCEF under any appropriate confidentiality designations (if applicable).⁸⁵

77. CEO, in its response, agrees with UCA regarding the need for Public Service to file the final contract with CCEF.⁸⁶ CEO states, for instance, that requiring the Company to file the executed contract with CCEF is consistent with the Commission's treatment of other contracts between utilities in third parties (e.g., Community Solar Gardens). CEO also acknowledges from Public Service's exceptions that the Company will not be able to finalize the contract with CCEF within five business days of a final Commission decision. But to ensure the OBF program gets implemented as fast and efficiently as possible, CEO recommends that the Commission direct Public Service to execute a contract with CCEF within 60 days of a final Commission decision in this Proceeding.

⁸⁵ UCA exceptions at p. 19.

⁸⁶ CEO response at p. 14.

78. The Commission understands the situation facing Public Service and the iterative relations between the decision on exceptions, the final contract negotiations with CCEF, the resolution of ultimate program offerings, and the completion of a tariff sheet to implement this tariff-based OBF program. However, we note Public Service's proposal in its exceptions does not establish a timetable for when the Commission can expect the negotiations with CCEF to be complete. Accordingly, consistent with CEO's suggestion in its response, we establish a 60-day deadline following the issuance of this Decision for Public Service to execute and file in this Proceeding the final vendor agreement with CCEF. To enhance transparency and accessibility, we also direct the Company to include a customer-oriented summary of the final program offers and features with its executed vendor agreement filing. We further direct the Company to, within two weeks after the contract is filed, file a compliance advice letter tariff filing.

L. Reporting

79. In the Company's Direct Testimony, Public Service proposes to report on the total amount of dollars financed, types of projects supported, DSM or BE rebates, and savings. The Company proposes to include this in its annual DSM & BE status report.⁸⁷

80. In its exceptions, UCA states that the Recommended Decision fails to require any disclosure metrics or reporting requirements for the program to be filed in connection with this proceeding. UCA claims this omission deprives the Commission, parties, and consumers of a deeper understanding of the OBF program. UCA thus asks the Commission to direct the Company to file semi-annual reports providing the following information: (1) total number of OBF loans issued, (2) average loan amounts, (3) number of customer defaults, (4) number of customer

⁸⁷ Hr. Ex. 101, Murphy Direct at p. 37.

disconnections, (5) average length of time to reconnect defaulted customers, and (6) details regarding the frequency of measures adopted.⁸⁸

81. In its response, Public Service argues that the UCA incorrectly alleges that the Recommended Decision did not approve any reporting requirements.⁸⁹ Because the Recommended Decision approves the application, with specific modifications as addressed in the decision, the reporting in the Company's Application, was approved. Public Service restates that it proposed to report, in its annual DSM/BE Plan status report, on: (1) dollars financed; (2) types of projects supported; (3) whether customer received any Company rebate for the project; and (4) amount of DSM/BE Plan savings attributed to the project that is not receiving a Company rebate. Public Service does not speak to the merits of UCA's request for information on: (1) total number of OBF loans issued, (2) average loan amounts, (3) number of customer defaults, (4) number of customer disconnections, and (5) average length of time to reconnect defaulted customers.

82. We clarify that we adopt the reporting provisions proposed by the Company in its Application and require the Company to include reporting on those proposed elements. We further require the reporting requested by UCA in its exceptions. The Company shall include this reported information in its annual DSM/BE status report.

M. Future Filing Requirements

83. The Recommended Decision "approves the Company's proposal to make an OBF filing in its next DSM/BE Plan filing" in 2026, explaining that the Commission, the Company, and the parties will have the opportunity there "to iterate upon and finetune this offering into a program that offers Public Service customers excellence in terms, access and affordability."⁹⁰

⁸⁸ UCA exceptions at p. 18.

⁸⁹ Public Service response at p. 5.

⁹⁰ Recommended Decision at ¶ 81.

Suggested objectives and areas of focus for the for the next “OBF filing” include: interest rate buy downs for targeted customers to 0 percent and 2 percent for all other customers; application of rebates prior to financing; eliminating the possibility of disconnection when a customer has paid for their utility service; the establishment of a loan loss guarantee or reserve applicable to all customers; and the employment of a cost benefit analysis using a modified utility cost test as a primary metric.⁹¹

84. In its exceptions, CLEER asks the Commission to modify the Recommended Decision to also include customers located in rural parts of the Company’s service territory as “targeted customers” for which a 0 percent interest rate is made available.⁹² CLEER argues that customers in rural and mountain communities across the Company’s service territory have a critical need for affordable financing to access EE and BE upgrades. CLEER adds that, due to the housing affordability crisis in rural and mountain communities and the difficulties residents in these communities face in accessing EE and BE programs, the Commission should include customers in rural and mountain communities in the list of “targeted customers” that could receive a zero- percent interest rate proposal in the Company’s next DSM/BE Plan filing.⁹³

85. Staff points out that the Recommended Decision includes no specific finding on the issue of cost benefit analysis. Staff argues that the Recommended Decision leaves untested the assumption that an OBF program is likely to be a cost-effective way to reduce barriers for participating in DSM offerings, especially among IQ customers, and that better aligns a participants cost of capital with programmatic savings.⁹⁴ Staff contends that the lack of cost-benefit

⁹¹ *Id.*

⁹² Exceptions filed by CLEER at p. 2.

⁹³ *Id.* at p. 3.

⁹⁴ Staff exceptions at p. 10.

analysis is especially problematic considering the Recommended Decision's suggestion that OBF interest rates should be reduced through ratepayer subsidies in the future. Staff goes on to argue that without a formal cost-benefit analysis, the Commission lacks the necessary tools to determine whether the OBF program is achieving meaningful, cost-justified outcomes. Staff thus requests that the Commission modify the Recommended Decision to require Public Service to conduct a comprehensive cost-benefit analysis of the OBF program in its next DSM Application or other appropriate filing.⁹⁵

86. We find that CLEER's concern regarding the Company's rural customers can and should be more adequately addressed in the Company's upcoming DSM/BE filing and we decline to modify the Recommended Decision's list of "targeted customers" at this time. Regarding Staff's exceptions concerning a cost-benefit analysis, we clarify the Recommended Decision and direct the Company to file a cost-benefit analysis with its application in the 2026 DSM/BE filing using a modified utility cost test that captures the costs to the rate base against the societal and system benefits. The cost-benefit analysis shall be in executable format with the inputs clearly identified so different assumptions can be tested.

III. ORDER

A. The Commission Orders That:

1. The Exceptions to Decision No. R25-0682 filed by Clean Energy Economy for the Region on October 13, 2025, are granted, in part, and denied, in part, consistent with the discussion above.

⁹⁵ *Id* at p. 11.

2. The Exceptions to Decision No. R25-0682 filed by Public Service Company of Colorado (“Public Service”) on October 13, 2025, are granted, in part, and denied, in part, consistent with the discussion above.

3. The Exceptions to Decision No. R25-0682 filed by the Office of the Utility Consumer Advocate on October 13, 2025, are granted, in part, and denied, in part, consistent with the discussion above.

4. The Exceptions to Decision No. R25-0682 filed by Trial Staff of the Public Utilities Commission on October 13, 2025, are granted, in part, and denied, in part, consistent with the discussion above.

5. The Exceptions to Decision No. R25-0682 filed by Energy Outreach Colorado on October 13, 2025, are denied, consistent with the discussion above.

6. Public Service shall file the fully executed vendor agreement with the Collective Clean Energy Fund (“CCEF”) within 60 days of the effective date of this Decision. Public Service shall include with this filing a customer-oriented summary of the program consistent with the discussion above.

7. Public Service shall file an advice letter compliance filing to modify the tariff sheets in its Colorado P.U.C. No. 8 - Electric Tariff, no later than 14 business days after it files the fully executed vendor agreement with CCEF, consistent with the findings, conclusions, and directives of this Decision. The tariff shall be in the form of Hearing Exhibit 103, Attachment PJM-1. Public Service shall file the compliance tariff sheets in a separate proceeding and on not less than two business days’ notice. The advice letter and tariff sheets shall be filed as a new advice letter proceeding and shall comply with all applicable rules. In calculating the proposed effective date, the date the filing is received at the Commission is not included in the notice period and the entire

notice period must expire prior to the effective date. The advice letter and tariff must comply in all substantive respects to this Decision in order to be filed as a compliance filing on shortened notice.

8. Public Service shall include a proposal for a modified Tariff On-Bill Financing Program as part of its next Demand-Side Management and Beneficial Electrification Plan filing, consistent with the discussion above.

9. The 20-day period provided for in § 40-6-114, C.R.S., within which to file an Application for Rehearing, Reargument, or Reconsideration, begins on the first day following the effective date of this Decision.

10. This Decision is effective immediately upon its Issued Date.

**B. ADOPTED IN COMMISSIONERS' WEEKLY MEETING
November 5, 2025.**

(S E A L)



ATTEST: A TRUE COPY

Rebecca E. White

Rebecca E. White,
Director

THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF COLORADO

ERIC BLANK

MEGAN M. GILMAN

TOM PLANT

Commissioners