

BLACK HILLS POWER, INC.

SD PUC DOCKET: EL14-038

REQUEST DATE : August 8, 2014

RESPONSE DATE : August 14, 2014

REQUESTING PARTY: SDPUC Staff

SDPUC Request No. 1-5:

Referring to the EESP Status Report, please provide an explanation as to why the Commercial Rebate program was less cost-effective in PY2 than PY1.

Response to SDPUC Request No. 1-5:

The incremental cost of energy efficiency measures in the Commercial Rebate program was significantly higher in PY2 than PY1 compared to kWh savings¹. Please see Attachment 1-5 for measures, savings, and costs in PY1 and PY2 of the program. The incremental cost per kWh saving was \$0.11/kWh in PY1 and \$0.22/kWh in PY2. This results in the change in cost-effectiveness between the two years. It should be noted, however, that the program is still cost-effective in both program years.

¹ Incremental costs are defined as the cost differential between a baseline and efficient unit.

Attachments: Attachment 1-5 Commercial Rebate Cost Effectiveness Evaluation