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Xcel Energy

Docket No.:	EL16-018		
Response To:	South Dakota Public Utilities Commission	Data Request No.	2-5
Requestor:	Darren Kearney		
Date Received:	November 2, 2016		

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Question:
Please explain how participant costs were determined for the 2015 and 2017 benefit/cost models, including any calculations used.

Response:
Participant costs in the 2015 and 2017 benefit/cost models include both Incremental Capital Costs and Incremental Operation & Maintenance (O&M) Costs.

During the 2015 program year, we tracked each measure type and either captured the actual installation cost or calculated a deemed installation cost paid by customers installing energy efficient equipment rebated in our programs. These energy efficient equipment installation costs are used to calculate the Incremental Capital Cost of the equipment by subtracting the deemed installation cost of the equipment that was assumed to be the baseline efficiency option. Each measure within the Lighting Efficiency program also includes a deemed assumption of the added natural gas required to heat a conditioned space due to the energy-efficient equipment giving off less heat. The value of this added natural gas consumption is tracked as Incremental O&M Costs.

Tracking of actual 2015 Incremental Capital Costs and Incremental O&M Costs is performed through our Customer Relationship Management database.

For the 2017, planned portfolio the same calculations are used with the exception of the energy efficient equipment installation costs. Instead of a mix of actual reported and deemed cost, forecasted costs based on market indicators and historic trends are used.

Participant Increment Cost =
Participant Cost (Actual /Forecasted) – Baseline cost (Standard Efficiency)

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