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Xcel Energy

Docket No.: EL16-018

Response To: South Dakota Public
Utilities Commission

Data Request No. 2-7

Requestor: Darren Kearney

Date Received: November 2, 2016

Question:

Referring to the 2017 benefit/cost model for the Residential Ground Source Heat Pump program provided in Xcel's response to Data Request 1-15, are there any changes that can be made to the program to make the TRC test be greater than 1.0? If so, please explain what changes can be made and any impact those changes will have on the other benefit/cost tests.

Response:

The Ground Source Heat Pumps (GSHP) program has always had difficulty passing the TRC test.

Customers with 100 percent electric resistance heat provide the GSHP program the best chance at passing the TRC test score because of the installation cost of these technologies. These customers have large electric usage resulting in greater savings than a customer using a heat pump system does. However, if we were to limit the program to allow participation from only these type of customers we would also minimize further participation to the program.

Another option to improve the TRC test would be to lower the administrative costs to deliver and market the program; however, even the total removal of all administrative cost would not result in a cost effective product.

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