

BLACK HILLS POWER, INC.
d/b/a BLACK HILLS ENERGY
SD PUC DOCKET: EL16-042

REQUEST DATE : 1/6/17

RESPONSE DATE : 1/20/17

REQUESTING PARTY: Staff

SDPUC Request No. 1-11:

Why did BHP choose to use the performance characteristics of a solar project located in the southwestern corner of its service territory in the modeling? Were any runs made with a different type of generation or a different location? If so, how did they differ? If not, explain why.

Response to SDPUC Request No. 1-11:

Black Hills used the performance characteristics of a solar project located in the southwestern corner of its service territory because the Company recently completed an avoided cost calculation for that project. The developer provided the energy production profile data necessary to estimate the avoided cost of the QF. The Company did not complete modeling or calculate avoided costs for other types of generation or for generation at different locations.

As noted in Exhibit 1, the avoided cost information provided in the informational filing was provided for illustrative purposes only. The Company would recalculate the avoided costs for specific QF projects that are greater than 100 kW, using the appropriate assumptions based on the QF technology type and the most current fuel and electric price forecasts at the time of the request.

Attachments:

None