

## MidAmerican Energy Company South Dakota Energy Efficiency 2014 Energy Efficiency Plan Update

MidAmerican Energy Company's (MidAmerican) South Dakota energy efficiency plan was approved by the South Dakota Public Utilities Commission (PUC) in Docket No. GE12-005 on November 27, 2012. The savings targets and budgets approved in this plan for the Residential Equipment program included measures for central air conditioners and window air conditioners, programmable thermostats, air source heat pumps, and high efficiency furnace fans. The approved budgets for this program did not include spending or savings targets for furnaces or ground source heat pumps. In MidAmerican's 2012 Annual Report filing dated February 22, 2013, MidAmerican requested that furnaces and ground source heat pumps be included in the 2013-2017 plan and proposed budgets and savings targets for those measures. The PUC approved the inclusion of furnaces and ground source heat pumps for the 2013 plan year but declined to approve these measures for later years without a plan modification filing. MidAmerican is requesting in this 2014 Energy Efficiency Plan Update that the PUC continue to approve furnaces and ground source heat pumps as part of MidAmerican's 2014 South Dakota energy efficiency plan offering and is proposing a budget and savings targets for residential furnaces and ground source heat pumps in this Plan Update filing.

MidAmerican also proposes to increase the budgets of its nonresidential electric and gas equipment programs to accommodate the additional participation related to furnaces and lighting measures. MidAmerican has expanded its efforts around outreach and education of Trade Allies and customers regarding our energy efficiency program resulting in increased participation in prescriptive programs. In 2013, due to budget constraints, MidAmerican suspended its nonresidential electric programs in August 2013. With awareness and participation growing, it is essential that both customers and Trade Allies have convenience that energy efficiency program funding will be available throughout the year and to continue the uptick in program participation going forward. MidAmerican is requesting in this 2014 Energy Efficiency Plan Update that the PUC approve the request to increase the nonresidential equipment program budgets as part of MidAmerican's 2014 South Dakota energy efficiency plan offering and is proposing a budget and savings targets for nonresidential furnaces and lighting in this Plan Update filing.

### **Residential Furnaces**

MidAmerican is requesting a budget of \$780,000 for 2014 for the residential equipment furnace program. This figure is based on expected participation of 1,300 for 2014 and an average rebate per customer of \$600. The total proposed savings target for residential furnaces is 227,747 therms.

Additionally, MidAmerican is proposing to limit the furnace program to new furnaces that achieve an AFUE efficiency standard of 95% and above. The large majority of furnaces rebated in 2013 were at or above a 95% AFUE level and MidAmerican believes it is appropriate to make 95% the

minimum standard for furnace rebates going forward in order to encourage customers to choose higher efficiency equipment and to better control costs.

### **Residential Ground Source Heat Pumps**

MidAmerican is requesting a budget of \$32,000 for 2014 for the residential equipment ground source heat pump program. This figure is based on expected participation of 16 for 2014 and an average rebate per customer of \$2,000. The total proposed savings target for residential ground source heat pumps is 177,456 kWh.

### **Nonresidential Furnaces**

MidAmerican is requesting a budget increase of \$241,767 for 2014 for the nonresidential equipment furnace program. This figure is based on expected participation of 180 for 2014 and an average rebate per customer of \$1,500. The total proposed savings target for nonresidential furnaces is 86,400 therms. Exhibit B shows the expected participation, average incentive and savings for nonresidential furnaces in 2014.

### **Nonresidential Lighting**

MidAmerican is requesting a budget of \$5,340 for 2014 for the nonresidential equipment lighting program. This figure is based on expected participation of 142 for 2014 and an average rebate per customer of \$9,466. The total proposed savings target for nonresidential lighting is 50,438 kWh. Exhibit B shows the expected participation, average incentive and savings for nonresidential lighting in 2014.

### **Impact on Total 2014 Budgets**

The approved budgets and savings targets for the 2014 plan year are as follows:

- Total annual natural gas savings for 2014: 100,013 therms
- Total annual natural gas spending: \$460,767
- Total annual electric savings: 338,575 kWh
- Total annual electric spending: \$106,307

The proposed inclusion of furnaces, ground source heat pumps and additional lighting to the residential and nonresidential equipment programs for 2014 will increase the total natural gas spending budget for 2014 to \$1,482,534 and the total electric spending budget for 2014 to \$143,647. Details of the impact of MidAmerican's proposed inclusion of furnaces, ground source heat pumps and additional lighting to the total 2014 proposed energy efficiency plan budget for South Dakota are provided in Exhibit A.