

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. 1-9:

Please provide supporting information for setting the incentive levels included in the new residential lighting and appliance program. Supporting information should, at a minimum, include participant payback period and energy savings algorithms if available. Further, please provide the expected range for CFL and LED incentives depending upon the potential distribution methods to be implemented.

Response to SDPUC Request No. 1-9:

In general, incentive levels are based on a percentage of the measure incremental cost. Typically, the incentive ranges from 25-100% of incremental cost. The table below provides the measures incremental cost, incentives, and incremental cost source. The purpose of an incentive is to persuade a customer to choose the more expensive energy-efficient option instead of the cheaper baseline option.

Measure	Incremental Cost	Incentive	% Incentive/ Incremental Cost	Incremental Cost Source
CFL	\$1.50	\$1.00	67%	ENERGY STAR
LED	\$20.00	\$7.50	38%	Michigan
ENERGY STAR Refrigerator	\$40.00	\$40.00	100%	MN TRM
ENERGY STAR Fixture	\$17.00	\$10.00	59%	Illinois
Advanced Power Strip	\$20.00	\$10.00	50%	NYSERDA

Attachment 1-9 provides the savings algorithms for each of the measure included in the program.

Attachments: Attachment 1-9 – AEG Savings Algorithms and Calculations