

BLACK HILLS POWER, INC.
SD PUC DOCKET: EL16-034

REQUEST DATE : October 27, 2016

RESPONSE DATE : November 4, 2016

REQUESTING PARTY: SDPUC Staff

SDPUC Request No. 1-4:

Regarding the Residential Lighting Program, discounted LEDs available at hardware stores:

- a) It does not appear the discounted price of LEDs at the hardware stores was a part of the Company's approved plan in Docket EL15-044. Explain why this had been added to the plan or provide documentation it has always been a part of the plan.
- b) Provide justification for including the discounted LEDs at the hardware stores in the Residential Lighting Program, considering that the customers purchasing the LEDs are not necessarily BHP customers.
- c) The Company states this was set up on a trial basis in the month of August. Has the program continued?
- d) Provide the information on Table 1: Residential Lighting PY2015 Summary on page 5 of the 2015 Status Report (participation, expenditures, energy impact, and demand impacts) split between the online store and hardware store LEDs.

Response to SDPUC Request No. 1-4:

- a) The Plan mentioned that customers would have the option to purchase discounted LEDs on the BHP website and then would pick up their purchases at their local BHP office. BHP only offered three LED light bulb options (6watt LED bulb equivalent to 40watt incandescent, 11watt LED bulb equivalent to a 60watt incandescent and 9.5watt LED bulb equivalent to a 65watt flood/BR30). The only color option provided was at 2700k – warm white. There were only three bulb types offered on BHP's online store to keep the program manageable. A discount of 50% of the cost of the LED bulb was provided to the customer.

BHP expanded the Residential LED program with arrangements with Hardware Hanks (1 store in Rapid City) and Ace Hardware (3 stores in Rapid City). The customer could purchase any LED bulb for a 33% discount up to a maximum of \$7.50/bulb. This option was only offered for 1 month on a trial basis.

- b) Offering LEDs through the hardware stores was definitely easier for the customer. The customer had more LED bulb options and could select their

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preferred light color. These customers also did not have to turn in any receipts. A very high percentage of customers purchasing from these hardware stores are BHP customers. The 33% discount on the LED bulbs was to reduce the impact of free ridership with non-BHP customers purchasing.

c) No. The trial program ran for only one month during August 2016. The program did not continue due to BHP's ability to conduct an adequate review of the offering.

d) See Table 1 below.

TABLE 1: RESIDENTIAL LIGHTING PY2015 SUMMARY

	Goal	Actual	% Goal Achieved
Participation			
LED	3,000	3,029	101%
BHP Online Store		1,835	
Hardware Stores		1,194	
ENERGY STAR LED Fixture	500	168	34%
Advance Power Strip	10	0	0%
ENERGY STAR Refrigerators	0	31	
Expenditures			
	\$31,635	\$29,786	94%
LED		\$26,916	
BHP Online Store		\$23,544	
Hardware Stores		\$3,372	
ENERGY STAR LED Fixture		\$1,590	
Advance Power Strip		\$0	
ENERGY STAR Refrigerators		\$1,280	
Energy Impacts (kWh)			
	152,004	103,730	68%
LED		96,219	
BHP Online Store		58,290	
Hardware Stores		37,929	
ENERGY STAR LED Fixture		5,535	
Advance Power Strip		0	
ENERGY STAR Refrigerators		1,976	
Demand Impacts (kW)			
	17.9	12.2	68%
LED		11.3	
BHP Online Store		6.9	
Hardware Stores		4.5	
ENERGY STAR LED Fixture		0.7	
Advance Power Strip		0.0	
ENERGY STAR Refrigerators		0.2	