

BLACK HILLS POWER, INC.
d/b/a BLACK HILLS ENERGY
EL17-026

REQUEST DATE : 06/29/17

RESPONSE DATE : 07/18/17

REQUESTING PARTY: Staff

SDPUC Request No. 1.3:

Refer to Exhibit A. Regarding the Residential High Efficiency HVAC Program on page 6:

- a) Explain how the proposed Central Air Conditioning SEER 15 measure compares to the measure that was removed pursuant to Docket EL15-044. What makes this new measure more cost effective?
- b) What is the basis for the estimated participation levels for the Central Air Conditioning SEER 15 measure? Explain why participation is expected to be much higher than that of the previous Central Air Conditioning measure (50, 75, and 100 for PY 2017, 2018, and 2019, respectively, compared to 8 for PY 2015 and 10 for PY 2016).

Response to SDPUC Request No. 1.3:

a) The proposed Central Air Conditioning SEER 15 measure contains an updated incremental cost. The incremental cost was updated to \$108 in the current model and replaced the previous model cost of \$238. The new model utilizes the Illinois Technical Resource Manual (TRM) and the previous model used the Minnesota TRM. The Illinois TRM is updated more frequently and represents more current information.

b) The higher participation numbers for the new Central Air Conditioning measure are a result from meetings with our Heating and Cooling trade allies. The incentive pays for a portion of the incremental cost associated with upgrading to the new system. Our trade allies believe that with additional joint promotional events, the installers would offer the higher efficient models essentially at no additional cost to the consumer after the rebate has been applied. A noon hour training event with the HVAC supply companies will be scheduled once the EE Program is approved. This joint effort would be for HVAC installers and the focus would be on the new Central Air Conditioning Rebate. The event would be part of the HVAC supply company's weekly open house so the costs to BHP would be minimal. BHP will then follow up with the larger HVAC installation companies.

Attachments:

None

Responder:

Don Martinez