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Xcel Energy

Data Request No. 1-27

Docket No.: EL19-019

Response To: South Dakota Public Utilities Commission

Requestor: Eric Paulson

Date Received: September 4, 2019

Question:

Explain why the AC Rewards approach is more beneficial than a Saver's Switch approach.

Response:

Both Saver's Switch and AC Rewards reduce peak system load by reducing AC unit run-times during system peak. AC Rewards has two potential advantages over Saver's Switch that are of benefit to customers:

- Participant Flexibility: Having both an AC Rewards and Saver's Switch give customer's flexible options to participate in our demand response options. AC Rewards participants have the flexibility to override control events if the home becomes too warm providing additional comfort opportunities and making this an attractive option for certain customers.
- Pre-Cooling: By controlling a customer's AC unit directly via the thermostat potentially enables the utility to pre-cool the home in advance of a control event, and thereby shifting load away from the event. For example, a control event is scheduled for 4PM to 7PM, the cycling strategy is raising the thermostat by four degrees. Controlling the thermostat may enable the utility to lower the set point by two degrees during the hour prior to the event. Pre-cooling the home could reduce customer discomfort during the interruption making it less likely for the customer to opt-out of the event itself.

We have more than 20,000 Saver's Switches deployed in South Dakota today and believe adding an additional option will increase the residential interest in demand response. We envision operating both Saver's Switch and AC Rewards side by side for the foreseeable future.

Preparer: Meagan Madden

Title: Program Manager
Department: Customer Solutions
Telephone: 612.321.3144
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