

**From:** don kelley [REDACTED]  
**Sent:** Friday, July 23, 2021 11:16 AM  
**To:** PUC-PUC <[PUC@state.sd.us](mailto:PUC@state.sd.us)>  
**Subject:** [EXT] EL21-19

To the PUC Commissioners:

The company's calculation of avoided cost completely omits several factors which have very real monetary value. South Dakotans are increasingly aware of the economic impacts of climate change on their lives and livelihoods due to human-caused alterations in weather patterns, including additional medical expenses, higher crop insurance premiums, and higher air conditioning bills (among many other direct and indirect costs) . With fossil-fuel generation of electricity being responsible for 32% of US CO2 emissions (1), a portion of these increased consumer costs are attributable to the emissions of utilities such as Xcel. As South Dakotans become better informed about these actual costs, it's difficult to justify considering only the "sticker price" of the electricity such utilities sell, and to ignore these often unmentioned factors. Total environmental and health damages associated with coal-generated electricity are stated to be between 14 and 34 cents/kWh, and with natural gas generation these are between 4 and 18 cents/kWh (2). With Xcel's energy source portfolio consisting of 21% coal and 32% natural gas (3), and taking the MINIMUM projected cost per kWh above, the 8000 kWh consumed by an average customer per year would result in an additional consumer cost of \$337.60 annually, or \$33.13 per month. Unfortunately, both solar and non-solar customers are already paying these hidden or externalized costs of fossil fuel generation. To the extent that solar customers are sending renewable, fossil-free kilowatt-hours to the utility, these costs are avoided by the entire ratepayer base. In this way, solar Xcel customers are SUBSIDIZING non-solar ratepayers by the same amount, and could be justified in requesting reimbursement for their investments in solar equipment and for preventing externalized ratepayer expense. From this perspective, the true avoidance of costs occurs as the utility shifts the expenses caused by its emissions to the public. In view of these facts, the company's attempt to penalize its solar customers is without merit, and could be construed as being a means of suppressing marketplace competition.

The time has surely arrived when a utility's calculation of avoided cost can no longer omit these real and quantifiable costs, and regulatory supervision must include these factors in determining "just and reasonable" electricity rates (and avoided costs) (4).

Thank you for your consideration of this matter.

Sincerely,

Don Kelley  
[REDACTED]  
Deadwood, SD 57732

1. U.S. Energy Information Administration. May 14, 2021
2. Shindell, D.T.: The Social Cost of Atmospheric Release. Climate Change 130: 313-326 (2015)
3. Current posting on Xcel Energy website, 2021. <https://sd.myxcelenergy/s/energy-portfolio/powergeneration>
4. South Dakota codified laws: 49-34A-6