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Xcel Energy		Data Request No.	1-19
Docket No.:	EL24-016		
Response To:	South Dakota Public Utilities Commission		
Requestor:	Eric Paulson		
Date Received:	August 2, 2024		

Question:
Explain, in detail, why the heat pump program should continue to be offered at all and why it should continue at the budget in place rather than something quite a bit lower than proposed, when since its inception it has been significantly below all target goals and the TRC is consistently less than 1.0.

Response:
The program may not be as successful as projected; however, the program has been more successful year after year with very little to no marketing. The TRC should raise with more participation in the program if we keep administrative costs low. The portfolio has been well above the TRC goal so other products are able to help offset the lower TRC in water heating while we grow demand in the territory. The budget requested allows for unexpected growth in the product as well as a marketing budget.

Heat pump water heaters are incredible energy efficiency opportunities for those with electric resistance water heaters. However, most homeowners have gas water heaters, meaning they are ineligible to participate in this program. This shrinks the pool of eligible participants considerably. We continue to believe this is still important to offer customers options to help them reduce energy use from their most costly appliances.

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