□ Not-Public Document – Not For Public Disclosure	
☐ Public Document – Not-Public Data Has Been Excise	d
☑ Public Document	

Xcel Energy Data Request No. 1-26

Docket No.: EL24-016

Response To: South Dakota Public Utilities Commission

Requestor: Eric Paulson
Date Received: August 2, 2024

Question:

What incentive percentage does Xcel use for its DSM/EE plans in its other jurisdictions?

Response:

The Company interprets this question to be inquiring about the structure of utility incentives earned for DSM/EE performance in other jurisdictions where it offers such programs to customers.

The design of utility incentives for EE varies considerably between jurisdictions served by the Company. In most states where the Company earns an incentive for DSM/EE structure, the incentive is a percentage of the net benefits generated by the portfolio; New Mexico is the only state that follows the approach in South Dakota of awarding a percent of program spending. A brief summary of the incentive designs in each of the Company's jurisdictions is presented in the table below. (Jurisdictions where the Company does not earn an incentive for DSM/EE are omitted from the table.) Note that each jurisdiction has additional rules or policies that affect the incentive calculation, making direct comparison of incentive designs challenging in some cases.

State	Incentive Structure	Fixed or Variable Percentage?†	Percentage earned in 2023	Incentive earned in 2023
Colorado*	Percent of net	Fixed	40%	\$18,000,000
	benefits			
Minnesota*‡	Percent of net	Variable	10%	\$26,478,641
	benefits			
New Mexico‡	Percent of	Variable	7.2%	\$1,081,719
	spending			
South Dakota‡	Percent of	Fixed	30%	\$249,691
	spending (or			
	budget)			
Texas‡	Percent of net	Variable	10%	\$1,651,543
-	benefits			

^{*} The Company also earns an incentive for its gas energy efficiency programs; only electric data is presented here.

Preparer: Karl Shlanta

Title: Regulatory Policy Specialist

Department: Customer Energy & Transportation Solutions

Telephone: 612-330-6346 Date: August 23, 2024

[†] In several states, the percentage earned (whether of spending or net benefits) increases with energy savings achieved, typically within an authorized range.

^{‡ 2023} program results, including financial incentive calculations, are pending final regulatory approval.