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Xcel Energy	Data Request No.	2-3
Docket No.:	EL25-020	
Response To:	South Dakota Public Utilities Commission	
Requestor:	Eric Paulson	
Date Received:	October 1, 2025	

Question:

Refer to the revised filing, Attachment B:

- a) Explain in detail how the Home Energy Insights kW and kWh savings were calculated and why any savings are allowed in the formula for the TRC given customers are not required to implement any changes due to this program.
- b) Explain how Xcel determined the estimated participation number of 79,900 (86.3% residential customer count in the pending rate case) Home Energy Insights program.
- c) Explain how Xcel determined the estimated participation for the HVAC+R program.

Response:

- a) The kW and kWh savings attributed to the Home Energy Insights (HEI) program in the Plan were calculated using the Technical Assumptions outlined in the Minnesota Technical Reference Manual (TRM), with adjustments made to reflect South Dakota-specific weather conditions.

Counting the full savings from HEI exaggerates the impact of these programs when compared to savings from equipment that may persist for up to 20 years. Whereas the full HEI savings are observed for each individual year, directly accounting for the achievement each year, savings from equipment claimed in other programs differ in that the annual energy savings persist beyond the observation year. In the Plan, the Company proposed normalizing HEI savings by utilizing the Average Savings Method as used in Minnesota. Specifically, only one-third of the savings resulting from observed energy improvements or changes to the home's baseline energy use are counted as Generator kWh savings. This conservative approach ensures that the program does not overstate its impact when compared to other programs that include the installation of equipment over a significant number of years, up to 20, rather than being limited to the energy savings observed in the program year. The one-third factor corresponds to an HEI program delivered to a population for three years.

Although participation in the program does not require customers to take specific actions, the HEI program drives behavioral saving, such as adjusting thermostat settings or adopting low- and no-cost energy-saving habits, through personalized insights and normative comparisons. These behavioral changes are measurable and have been validated through industry-recognized evaluation, measurement, and verification (EM&V) methodologies. For the purposes of Total Resource Cost (TRC) calculations, the full observed impacts are included to determine cost-effectiveness.

- b) The Company determined the estimated participation number for HEI of 79,900 households based upon total households in market, accounting for households electing to “opt out,” and accounts without the required thirteen months of historical utility billing data to participate.
- c) The Company determined the estimated participation for the HVAC+R program using 10 years of historical information from the MN HVAC+R based on size of the DX units that were rebated during this timeframe. Other factors taken into consideration included customer segments in the Sioux Falls area such as office, retail, schools and medical offices and hospitals that fall within the Xcel Energy service territory footprint.

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