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Xcel Energy		Data Request No.	1-7
Docket No.:	EL26-022		
Response To:	South Dakota Public Utilities Commission Staff		
Requestor:	Brittany Mehlhaff		
Date Received:	October 28, 2026		

Question:

Regarding the HVAC+R program:

a) Refer to page 7 of the petition. Further explain the updated baseline for the DX units. When was the baseline updated in Minnesota and why?
b) Regarding the prescriptive rebates the Company proposes to offer for variable frequency drives (VFDs), what impact (participation, savings, cost effectiveness) does the Company expect this addition will have on the HVAC+R program?
c) Provide an estimated average cost for each VFD found on the petition, page 8, Table 4.
d) Explain how Xcel determined the appropriate rebate amount to be offered for each VFD found on the petition, page 8, Table 4.

Response:

a) The Company updated the South Dakota DX baseline to align with the Company's Minnesota HVAC+R program. In Minnesota, the baseline was updated in the Company's 2027–2029 ECO Triennial Plan to remove older historical project data that no longer reflects current market conditions. Under the 2026 plan, the Company continued to accommodate legacy EER and SEER efficiency ratings for units below 5.4 tons. Beginning with the 2027 plan, those legacy ratings are eliminated, and units below 5.4 tons are evaluated using EER2 and SEER2 ratings only. These updates lower projected per-unit savings but do not change equipment efficiency requirements or customer rebates.
b) The Company expects the addition of the VFD product to increase overall participation and savings from 70 participants and 70 MWh to 170 participants and 1,360 MWh. These changes help to increase the overall cost-effectiveness of the program and allow more customers to participate in this program.
c) Customer costs vary depending on distributor and installation. For forecasting purposes, the Company referenced total incremental VFD costs by horsepower derived from customer invoices received through Xcel Energy's MN prescriptive program for the HP sizes listed in the SD proposal.

Table 14.0.7 Incremental Costs for VFDs (Derived from customer invoices)

HP	Total Installed Cost
1	$2,182.10
2	$2,493.50
2	$2,741.03
3	$3,132.19
5	$3,705.41
8	$4,234.18
10	$4,654.52
15	$5,318.74
20	$5,846.74
25	$6,292.12
30	$6,681.09
40	$7,344.33
50	$7,903.80
60	$8,392.40
75	$9,031.71
100	$9,928.29
125	$10,684.59
150	$11,345.11
200	$12,471.35

d) South Dakota's proposed VFD rebate schedule is 75% of the corresponding Minnesota rebate schedule.

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