

NorthWestern Energy
Docket GE15-002
South Dakota DSM Filing

South Dakota Public Utilities Commission
First Data Request (1-1 – 1-11)

Data Requests received August 13, 2015

1-9) Please explain why TRC test results are not available for Year 1 results. Or, in the alternative, if TRC test results are available please provide those results.

RESPONSE:

The response to Data Request 1-8 describes the process used to perform the TRC test on individual measures using average incremental customer costs. Such analysis is useful for program planning and design.

However, to perform the TRC at the *Program* level requires more information than is currently available. For the TRC at the *Program* level, all costs (actual utility costs and *actual* customer incremental costs for measures) are required. *Actual* customer incremental measure costs are not yet available. The utility costs in Year 1 cover less than one full year and include start-up up costs. Additionally, with less than a year of participation, it is unclear what the normal level of activity will be. Therefore, until there is a more complete set of data available, it is premature to measure the total utility costs against the limited customer participation costs to determine a TRC for the individual programs or the portfolio of programs.

For planning and program design purposes, the *measure* level TRC using *average* customer *measure* costs have been used, consistent with industry practice.

Results at this point in the two-year plan are limited, and it is anticipated that momentum for participation will grow in Year 2. *Actual* customer incremental measure costs will not be accumulated and incorporated until a third party evaluation of the programs is performed in the future. While a TRC test at the *program* level is not possible at this time, one can perform Utility Cost Test (UCT) at this time using the total utility costs and total value of the energy savings.

An estimated UCT based on average savings values can provide guidance for program development and design but does not provide an appropriate evaluation of the energy efficiency portfolio, especially not at this early stage of program launch.

Attachment 1-9 shows the UCT results based upon the Year 1 expenditures and estimated value of the energy savings.

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1-9 cont'd

In response to Data Request 1-8, it was noted that the In-Store Coupon delivery mechanism is being discontinued as a result of the estimated savings to utility costs analysis. While performing the UCT on programs for existing homes and businesses might at this point generate low UCT results, these programs as a whole are still in start-up and increased participation is expected. In the case of the In-Store Coupon offering, awareness of energy efficiency offerings from NorthWestern was generated as desired but customer participation was very low. Given the difference between the expected results and the actual customer response, it is the judgment of NorthWestern that this particular delivery mechanism be removed for this measure.