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## SOUTH DAKOTA PUBLIC UTILITIES COMMISSION

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November 23, 2010

**Via electronic filing**

Ms. Patty Van Gerpen  
Executive Director  
South Dakota Public Utilities Commission  
500 East Capitol Avenue  
Pierre, SD 57501

Re: Revised Draft Rules for Docket RM09-002

Dear Ms. Van Gerpen:

Attached are revised draft rules for docket RM09-002. The Commission is seeking comment on these revised draft rules. Any interested person may file comments regarding the revised draft rules on or before December 17, 2010.

Based on the comments received, changes may be made to the draft rules. Proposed rules may then be filed with the Legislative Research Council to begin the formal rulemaking process. During that process, any interested person will also have the opportunity to file written comments, as well as provide comments at the hearing.

Sincerely,

Rolayne Ailts Wiest  
Commission Counsel

ARTICLE 20:10

**PUBLIC UTILITIES COMMISSION**

Chapter

- 20:10:01 General rules of practice.
- 20:10:02 General motor carrier rules, Repealed.
- 20:10:03 Regulated motor carriers, Repealed.
- 20:10:04 Exempt motor carriers, Repealed.
- 20:10:05 General telecommunications company rules.
- 20:10:06 Telecommunications records.
- 20:10:07 Telecommunications subscriber billing rules.
- 20:10:08 Telecommunications credit.
- 20:10:09 Refusal of telecommunications service.
- 20:10:10 Disconnection of telecommunications service.
- 20:10:11 Public grain warehouses.
- 20:10:12 Grain buyers.
- 20:10:13 Public utilities rate filing rules.
- 20:10:14 Procedure rules for public utilities, Repealed or transferred.
- 20:10:15 General gas and electric rules.
- 20:10:16 Gas and electric utility records and public information rules.
- 20:10:17 Gas and electric customer billing rules.
- 20:10:18 Gas and electric service rules.
- 20:10:19 Establishment of gas and electric credit.
- 20:10:20 Refusal and disconnection of gas and electric service.
- 20:10:21 Energy facility plans.

- 20:10:22 Energy facility siting rules.
- 20:10:23 Gas and electric advertising rules.
- 20:10:24 Interexchange carrier and classification rules.
- 20:10:25 Telecommunications facility construction notice rules, Repealed.
- 20:10:26 Master metering variance rules.
- 20:10:27 Telecommunications switched access filing rules.
- 20:10:28 Telecommunications separations procedures.
- 20:10:29 Telecommunications switched access charges.
- 20:10:30 Assignment of N11 dialing codes.
- 20:10:31 Assessment of fees for intrastate gas pipeline operators.
- 20:10:32 Local exchange service competition.
- 20:10:33 Service standards for telecommunications companies.
- 20:10:34 Prohibition against unauthorized changing of telecommunications company and charging for unauthorized services.
- 20:10:35 Telecommunications services.
- 20:10:36 Small generator facility interconnection.
- 20:10:37 Pipeline safety rules.
- 20:10:38 Renewable, recycled, and conserved energy rules.

## **20:10:38**

### **RENEWABLE, RECYCLED, AND CONSERVED ENERGY RULES**

#### **Section**

**20:10:38:01. Definitions.**

**20:10:38:02 Use of conserved energy sources.**

**20:10:38:03. Measurement and verification of energy efficiency measures.**

**20:10:38:04. Deemed savings approach.**

**20:10:38:05. Measured savings approaches.**

**20:10:38:06. Measurement and verification of demand response measures.**

**20:10:38:07. Annual report requirements.**

**20:10:38:01. Definitions.** Terms defined in SDCL 49-34A-1 have the same meaning when used in this chapter. In addition, terms used in this chapter mean:

(1) "Conserved energy," the reduction of energy and capacity usage achieved through energy efficiency measures and demand response measures;

(2) "Demand response," temporary changes in energy use by end use customers from their normal consumption patterns in response to changes in the price of energy over time, or in response to incentive payments designed to induce lower energy use at times of high wholesale market prices or when system reliability is jeopardized;

(3) "Demand response baseline energy use," an estimate of the electricity that would have been consumed in the absence of the implementation of a demand response measure;

(4) "Demand response impact evaluation," the performance of studies and activities intended to determine demand response reduction;

(5) "Demand response measure," any measure designed, intended, or used to implement demand response;

(6) "Demand response reduction," the reduction of electrical consumption achieved during the time a demand response measure was implemented as compared to the demand response baseline energy use;

(7) "Energy efficiency," the decrease in electricity requirements of specific customers during any selected period with end-use services of such customers held constant;

(8) "Energy efficiency baseline energy use," the energy consumption estimated to have occurred before the energy efficiency measure was implemented and is representative of normal operations;

(9) "Energy efficiency impact evaluation," the performance of studies and activities intended to determine the actual savings and other effects from energy efficiency measures;

(10) "Energy efficiency measure," any measure designed, intended, or used to improve energy efficiency;

(11) "Location," the county and state where the facility is located;

(12) “Post-installation energy use,” energy consumption that occurs after an energy efficiency measure is implemented; and

(13) “Reported conserved energy savings,” the capability of installed energy efficiency and demand response measures to result in conserved energy. Reported conserved energy savings are an estimate of electricity savings from individual projects where engineering or other calculations were submitted with project proposals for specific energy conservation projects or where deemed savings are used.

**Source:**

**General Authority:** SDCL 49-34A-27, 49-34A-96, 49-34A-101.

**Law Implemented:** SDCL 49-34A-27, 49-34A-96, 49-34A-102, 49-34A-101, 49-34A-105.

**20:10:38:02. Use of conserved energy sources.** A retail provider who uses conserved energy sources to meet the renewable, recycled, and conserved energy objective established by § 49-34A-101 shall follow the requirements in this chapter to determine the amount of conserved energy.

**Source:**

**General Authority:** SDCL 49-34A-27, 49-34A-96, 49-34A-101.

**Law Implemented:** SDCL 49-34A-27, 49-34A-96, 49-34A-102, 49-34A-101, 49-34A-105.

**20:10:38:03. Measurement and verification of energy efficiency measures.** A retail provider of electricity shall use a deemed savings approach or a measured savings approach, as appropriate, to estimate or determine the amount of conserved energy achieved through an energy efficiency measure. The amount of conserved energy achieved through energy efficiency measures shall be validated by the use of an energy efficiency impact evaluation. An energy efficiency impact evaluation shall be performed at appropriate periodic intervals and shall be consistent with generally accepted industry guidelines for measurement and verification. As necessary, an energy efficiency impact evaluation shall include adjustments to account for factors that are beyond the control of the retail provider of electricity or energy consumer in order to bring baseline energy use and post-installation energy use subject to the same or similar conditions. Adjustments may include weather corrections, occupancy levels and hours, change of building or facility use, and production levels.

If an energy efficiency impact evaluation has not been completed at the time the retail provider’s annual report is due, the retail provider may use reported conserved energy savings for the time period the energy efficiency measure was in effect.

**Source:**

**General Authority:** SDCL 49-34A-27, 49-34A-96, 49-34A-101.

**Law Implemented:** SDCL 49-34A-27, 49-34A-96, 49-34A-102, 49-34A-101, 49-34A-105.

**20:10:38:04. Deemed savings approach.** A deemed savings approach uses pre-determined, validated estimates of energy saving attributable to a particular energy efficiency measure based upon engineering calculations, baseline studies, or reasonable assumptions. A retail provider of electricity may use a deemed savings approach for projects that involve simple energy efficiency measures with documented per-measure values.

**Source:**

**General Authority:** SDCL 49-34A-27, 49-34A-96, 49-34A-101.

**Law Implemented:** SDCL 49-34A-27, 49-34A-96, 49-34A-102, 49-34A-101, 49-34A-105.

**20:10:38:05. Measured savings approaches.** A measured savings approach shall be based on one or more of the following methods:

- (1) The use of direct metering and monitoring to measure baseline energy use and post-installation energy use;
- (2) The use of engineering methods that use standard formulas and assumptions to calculate the energy use of baseline and post-installation energy systems;
- (3) The use of statistical analyses to estimate baseline energy use and post-installation energy; or
- (4) The use of computer models to predict the change in energy use after energy efficiency measures are implemented.

**Source:**

**General Authority:** SDCL 49-34A-27, 49-34A-96, 49-34A-101.

**Law Implemented:** SDCL 49-34A-27, 49-34A-96, 49-34A-102, 49-34A-101, 49-34A-105.

**20:10:38:06. Measurement and verification of demand response measures.** A retail provider of electricity shall use metering data collection and analyses, statistical estimations, engineering analyses, or a combination of these methods to estimate or determine the amount of conserved energy achieved through a demand response measure. The amount of conserved energy achieved through demand response measures shall be validated by the use of a demand response impact evaluation. A demand response impact evaluation shall be performed at appropriate periodic intervals consistent with generally accepted industry guidelines for measurement and verification.

If a demand response impact evaluation has not been completed at the time the retail provider's annual report is due, the retail provider may use reported conserved energy savings for the time period the energy efficiency measure was in effect.

**Source:**

**General Authority:** SDCL 49-34A-27, 49-34A-96, 49-34A-101.

**Law Implemented:** SDCL 49-34A-27, 49-34A-96, 49-34A-102, 49-34A-101, 49-34A-105.

**20:10:38:07. Annual report requirements.** A retail provider of electricity shall include the following information in its annual report:

- (1) The total megawatt hours of retail sales in South Dakota and system-wide;
- (2) The total generation capacity owned by the retail provider and the fuel source, name, and location of each generation facility;
- (3) The amount of total generation capacity contracted for in purchase power agreements and the fuel source, name, and location, if known, of each generation facility;
- (4) The amount of renewable energy credits that the retail provider retired to meet South Dakota's renewable energy objective, the tracking system the renewable energy credits were retired under, and the name and location of the facility that produced the retired renewable energy credits;
- (5) The amount of renewable energy credits that the retail provider retired to meet a renewable energy objective or renewable energy standard in each of the other states it provides electricity services and the name and location of the facility that produced the retired renewable energy credits;
- (6) The amount of conserved energy achieved through energy efficiency measures in South Dakota and system-wide;
- (7) The amount of conserved energy achieved through demand response measures in South Dakota and system-wide;
- (8) The amount of capital spent on energy efficiency measures in South Dakota and system-wide;
- (9) The amount of capital spent on demand response measures in South Dakota and system-wide;
- (10) A general explanation of each energy efficiency impact evaluation or estimate and the rationale for using each energy efficiency impact evaluation or estimate; and

(11) A general explanation of each demand response impact evaluation or estimate and the rationale for using each demand response impact evaluation or estimate.

**Source:**

**General Authority:** SDCL 49-34A-27, 49-34A-96, 49-34A-101.

**Law Implemented:** SDCL 49-34A-27, 49-34A-96, 49-34A-102, 49-34A-101, 49-34A-105.