

BLACK HILLS POWER, INC.
d/b/a BLACK HILLS ENERGY
SD PUC DOCKET: EL16-042

REQUEST DATE : 1/13/17

RESPONSE DATE : 1/27/17

REQUESTING PARTY: Staff

SDPUC Request No. 2-3:

Refer to Exhibit 1. Define what BHP means by “seasonal firm energy” in years 2017 through 2021. What is the capacity value of that firm energy in 2017 through 2021? Does BHP figure in the capacity contributions by the qualified facilities for the capacity actually avoided? Please explain.

Response to SDPUC Request No. 2-3:

Seasonal firm energy purchases are firm energy market purchases during on-peak hours (16 hours per day, 7 am to 11 pm, six days per week) in June, July and August. The Company assumed that, due to its small size relative to the market, it will be able to purchase seasonal firm energy during the summer months. This measure covers any peak demand shortfall and defers the need to install new resources until the need for capacity extends to multiple months. The 25-MW block size was selected based on the minimum size of the blocks of energy typically available for this type of product in the market.

The capacity value of seasonal firm energy for each of the QF scenarios for the years 2017 through 2021 is shown in the table below.

Seasonal Firm Energy Purchases					
	No QF Scenario	10 MW Scenario	20 MW Scenario	30 MW Scenario	40 MW Scenario
Date	On-peak (MW)	On-peak (MW)	On-peak (MW)	On-peak (MW)	On-peak (MW)
6/1/2017	50	50	50	50	50
7/1/2017	50	50	50	50	50
8/1/2017	50	50	50	50	50
6/1/2018	25	25	0	0	0
7/1/2018	50	50	50	50	25
8/1/2018	50	50	50	50	50
6/1/2019	25	25	0	0	0
7/1/2019	50	25	25	25	25
8/1/2019	50	50	50	25	25
6/1/2020	25	0	0	0	0
7/1/2020	50	50	50	25	25
8/1/2020	50	50	50	25	25
6/1/2021	25	25	0	0	0
7/1/2021	50	50	50	25	25
8/1/2021	50	50	50	50	50

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Yes, the Company did assume that the qualifying facility provides capacity. For purposes of the informational filing the Company assumed that the capacity value for reserve margin (accreditable capacity) of the solar facility was 63 percent of the facility's nameplate capacity.

Attachments:

None