

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

REQUEST DATE : 03/06/17

RESPONSE DATE : 03/20/17

REQUESTING PARTY: Staff

SDPUC Request No. 4-8:

How does this ABB model compare with industry standards for avoided cost modeling?

Response to SDPUC Request No. 4-8:

PaR is used by several ABB clients to calculate avoided costs. The PaR algorithm is basically the same as other industry production costs models. The generation fleet is dispatched competitively against pre-solved market prices from Reference Case (ProMod) or other external sources. It operates the generation fleet based on unit commitment logic which allows input of plant specific parameters such as:

- 6 Heat Rate points
- Hourly Chronological Dispatch
- Zonal Transmission Limits
- Fuel Limit Modeling
- Hourly Unit Commitment
- Up to 5 Ancillary Services Modeling
- Other parameters

Attachments:

None

Responder:

Lisa Seaman