

OTTER TAIL POWER COMPANY

Docket No: EL21-015

Response to: SD Public Utilities Commission

Analyst: SD PUC Staff

Date Received: May 21, 2021

Date Due: June 04, 2021

Date of Response: June 11, 2021

Responding Witness: Jason A. Grenier, Manager Market Planning - (218) 739-8639

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Data Request:

Explain any impacts COVID had on plan participation, plan costs, and electricity usage in 2020.

Attachments: 0

Response:

Overall, Otter Tail estimates that COVID-19 produced mixed results in impacts on participation, plan costs, and electricity usage in 2020, and further that these results were heavily dependent on market segment and time of year. For example, in the initial stages of COVID-19, it is likely that many residential customers were less likely to implement projects requiring contractors in homes or on their residential properties. This could explain lower participation in programs including Air Conditioning Control and Lighting. Commercial customers also likely experienced vastly different impacts from COVID-19 depending on the industry and building type specific to the commercial and industrial segment. For example, anecdotally many grocery, meat, and seafood retailers reported record sales, while the food, beverage, and hospitality industries all experienced extremely negative impacts in business seemingly overnight. COVID-19 left many educational and institutional facilities more likely to assess opportunities for HVAC and lighting improvements while facilities were empty, while health- and long-term care facilities were much more likely to minimize any activity involving third party contractors into their facilities.

The Advertising and Education program was one such program experiencing direct and obvious impacts from COVID-19. The program plan includes an education component aimed at reaching school age children through *Classroom based presentations* that target third through sixth graders. The assembly program includes educational messages about energy production, energy use, and energy conservation. The program was cancelled in the Spring of 2020 due to COVID-19 school shutdowns as well as the suspension of programs at the Minnesota Science Museum. Participation in the Advertising and Education program was proposed at 400 with the assembly program accounting for several hundred of those participants each year. That number dropped to zero in 2020. The in-person assemblies through the Science Museum remain on hold and Otter Tail is investigating alternative ways to offer the service.

The Advertising and Education program plan includes the Home Energy Analyzer (HEA), an online educational and energy savings resource available to South Dakota residential customers. The tool helps residential customers analyze their energy use and identify ways to reduce energy use and costs. Participation in the HEA was higher during 2020 at 178 households compared to 61 in 2019. One reason may have been that households were more concerned about higher energy use and higher energy bills as more people were working and doing school from home due to COVID.

On a weather normalized basis, Otter Tail experienced lower Residential, Farm, and Small Commercial energy usage in 2020 when compared to 2019. The lower energy usage is likely partly due to conservation efforts as penetration of LEDs and heat pumps grows in South Dakota. The decrease in the Farm class is likely due to less grain drying in the 2020 fall from a dryer harvest. The larger decrease (-5.37%) in Small Commercial likely stems from some small businesses such as restaurants being shut down or run at limited capacity for up to 6 months or more during the pandemic. The Large Commercial class was able to maintain industrial production with most putting Covid safety protocols in place to keep their businesses open.

	<b>SD 2019 Sales (kWh) Weather- Normalized</b>	<b>SD 2020 Sales (kWh) Weather- Normalized</b>	<b>% Change</b>
<b>Residential</b>	120,546,501	117,942,309	-2.16%
<b>Farm</b>	9,735,026	9,603,628	-1.35%
<b>Small Comm</b>	86,710,926	82,054,628	-5.37%
<b>Large Comm</b>	252,570,902	262,212,379	3.82%
<b>OPA</b>	4,488,004	4,589,366	2.26%
<b>Street Lighting</b>	2,386,606	2,265,014	-5.09%
<b>Unclassified</b>	681,584	694,435	1.89%
	477,119,549	479,361,759	0.47%