

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

Data Request:

Refer to the chart at the top of page 13 of the Status Report. What caused the cost per participant to increase from what was reported for actual 2019 in docket EL20-016?

Attachments: 0Response:

Costs and participation in the Drive Power program for 2019 and 2020 were as follows:

	2020	2019
Total expense	\$284,849.65	\$362,262.95
Participants	177	264
Total Cost/Participant	\$1,609.32	\$1,372.21
Incentives	\$270,925.00	\$350,124.34
Rebate/participant	\$1,530.65	\$1,326.23
Admin	\$13,924.65	\$12,138.61

The majority of the increase in program costs from 2019 to 2020 were due to an increase in incentive costs (customer rebates), even though the number of participants during this time actually decreased from 264 in 2019 to 177 in 2020. Program data for the two years shows that project size increased, even though the number of actual participants declined. This is seen in the increased average kwh savings in projects from 2019 to 2020 as well as incentive costs between the two years. With participant incentives dependent on motor horsepower in both the motor and adjustable speed drive rebates, Otter Tail attributes the cost per participant to increased project size in terms of motor horsepower installed in motor projects and motor sizes controlled through adjustable speed drive installations. Even though the cost per participant increased from 2019 to 2020 with increased incentive costs, the total cost per kwh of energy savings decreased from \$0.0466/kWh in 2019 to \$0.0407/kWh in 2020.