

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 04, 2021

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

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Data Request:

Refer to the chart on page 16 of the Status Report. What caused the large decrease in energy and demand savings per participant, relative to the decrease in cost per participant, from what was reported for actual 2019 in docket EL20-016?

Attachments: 0

Response:

From 2019 to 2020, total cost per participant decreased from \$2,274 to \$1,933, or about 15%, where energy and demand savings per participant decreased by 39% and 31%, respectively. Otter Tail attributes this to the following reasons:

- 1) Average project size tended to decline from 2019 to 2020, with demand savings per project at 7.76 kW in 2019 and lower at 5.38 kW in 2020.
- 2) Reported annual hours of operation for lighting systems declined from 4,785 in 2019 to 4,551 in 2020, further reducing reported energy savings per project.
- 3) Administrative costs to manage and implement the program remained relatively stable from 2019 to 2020, dropping from \$33,467 in 2019 to \$31,992 in 2020, or only four percent. This trend reflects a baseline level of costs needed to administer and support the program, including program management necessary for monitoring budgets and implementation labor needed to work with contractors, assist customers, and complete necessary forms to process applications. With administrative costs making up a higher percentage of total program costs in 2020, this would tend to drive up overall costs per participant, even though demand and energy savings per participant declined over the same time period.