

OTTER TAIL POWER COMPANY

Docket No: EL20-016

Response to: South Dakota Public Utilities Commission

Analyst: Staff

Date Received: May 18, 2020

Date Due: June 01, 2020

Date of Response: June 01, 2020

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

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Data Request:

Refer to Appendix A, Table 3, explain why the Commercial Air Source Heat Pumps' TRC dipped below 1.0 in 2019.

Attachments: 0

Response:

Otter Tail's Commercial Air Source Heat Pumps program is rebated based on the number of tons installed. In 2019 of the 65 air source heat pumps rebated, 59 were package terminal air source heat pump systems installed by two customers that had low kWh and kW savings due to having slightly higher efficiencies than the set baseline. Otter Tail calculates its rebates based on the number of tons installed in order to make it easier for customers to understand the rebate amount they will receive. The Company believes the 59 package terminal units installed was a one-year anomaly and will no longer be providing rebates for package terminal air source heat pump systems through its Air Source Heat Pumps program. Going forward the program should have a higher ratio of more efficient heat pumps to ensure cost-effectiveness.