

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:

Explain how OTP was able to stay significantly under budget for the Air Conditioning Control (R) program while being close to 100% of participation.

Attachments: 0

Response:

The proposed 2019 Air Conditioning Control program participation goal from Otter Tail's Status Report represents cumulative participation. Cumulative participants include all customers currently enrolled in the Air Conditioning Control program and consequently subject to Otter Tail controlling their air conditioning system during peak times, which in turn provides the program's avoided demand and energy benefits. Actual participation from year to year is an incremental gain. Regarding the expense side of the program, one of Otter Tail's most significant program expenses is for procuring services from electrical contractors licensed in the State of South Dakota to complete the electrical work necessary for a safe and functional Air Conditioning Control program equipment installation. Only two new customers signed up for Cool Savings in 2019 resulting in lower implementation costs needed for contractors to install air conditioning control equipment.

Otter Tail understands the importance robust participation needed for continued success of any EEP program, including Air Conditioning Control. The Company relied on the following promotional strategies in 2019:

- 1) Radio and digital ad campaigns in April
- 2) February and March bill inserts
- 3) January, April, and May bill messages
- 4) Website home page ad in March
- 5) Informational packets targeting field staff in March

With relatively low participation in 2019, the Company has begun implementing a more focused effort on training field staff to promote the Air Conditioning Control program in the residential

market. Additionally, the Company received approval of a commercial air conditioning control rate incentive in South Dakota in 2019 and intends to propose a commercial air conditioning control measure and/or program as part of its EEP 2021 to 2023 plan.