

OTTER TAIL POWER COMPANY

Docket No: EL20-022

Response to: SD Public Utilities Commission

Analyst: Staff

Date Received: August 26, 2020

Date Due: September 17, 2020

Date of Response: September 17, 2020

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

Data Request:

Refer to Otter Tail's 2021-2023 South Dakota Energy Efficiency Plan, pages 6-7, regarding the Air Conditioning Control Project.

- a) Otter Tail states that the total cost of the proposed "incentive is lower than the cost for most other types of project advertising". Does the proposed incentive replace previous advertising costs? Please explain.
- b) Explain the increase in participation expected for 2021 (736) compared to 643 in 2019 and 649 estimated for 2020.

Attachments: 0

Response:

- A. Yes, Otter Tail believes the direct incentive to the customer will be more effective in increasing participation than traditional non-direct advertising. The proposed incentive will provide qualified new participants in the Air Conditioning Control (CoolSavings) program with a \$50 gift card as an incentive. The total budgeted in the EEP triennial filing for this incentive was \$1,400 and will cover the cost of the gift card and shipping and handling costs. These budget dollars will be prorated per participant and would not be spent if customers did not agree to participate in the program.

To make customers aware of this incentive opportunity, a bill insert will be sent out at a cost of approximately \$600 per printing. The incentive promotion will also be included in general information pages about South Dakota programs on the company website with no additional direct advertising costs.

Past advertising costs to the Air Conditioning Control program did consist of mailing a large bill insert two to three times per year to all South Dakota residential customers. That method, while affordable has not been successful in reaching program goals: only two new participants were added in 2019.

B. In the 2019 Status report the Air Conditioning Control program included a participation number of 643 and included 402 residential Controlled Service Interruptible (dual fuel) customers on short duration cycling rates, 2 new AC cycling participants, and 239 participants that were active prior to 2019, for a total of 643. The participation goals of 736 for 2021 includes 25 new CoolSavings participants, 312 prior year participation, and 399 dual fuel customers. Otter Tail believes the prior year participation number included goals for 2019 and 2020 instead of actuals for 2019 and goals for 2020. The prior year participation number should have been 276. The program remains cost-effective even with the lower participation numbers as shown in the table below:

Utility Test	Total Resource Test	Ratepayer Impact Test	Societal Test	Participant Test
1.37	1.55	1.37	1.55	inf.