

OTTER TAIL POWER COMPANY

Docket No: EL22-011

Response to: SD Public Utilities Commission

Analyst: Staff

Date Received: May 04, 2022

Date Due: May 18, 2022

Date of Response: May 18, 2022

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

Data Request:

1-4. Refer to the participation and budget for the residential heat pumps on page 8. Explain how the company was able to achieve a participation of 335% of goal while the budget only rose to 147% of goal?

Attachments: 0

Response:

On September 20, 2021, Otter Tail filed a modification to its 2021-2023 Energy Efficiency Partnership Plan in Docket No. EL20-022. As part of that modification, Otter Tail proposed an increase to the Residential Heat Pump Program by 522,214 kWh and \$33,000 which was unanimously approved by the commission on October 12, 2021. Although this increase was driven by known or expected projects, the participant numbers were not updated to reflect the expected increase. This leads to a skewed view when comparing budgets versus participation directly using the percent of goal. If we were to look back at the original proposed budget of \$91,000, the percent of goal for the budget would be 199 percent.

Additionally, higher than anticipated participation was identified early in the year allowing the Company to take early action in reducing project delivery and utility administration, advertising and promos, and evaluation labor and expenses. These early actions allowed for cost cutting measures to be implemented and advertising plans to be canceled to allow for additional funds to be allocated to incoming participant rebate request.