

Minnesota Public Utilities Commission			
DOCKET NO. E999/PR-25-09		Reporting Period:	January 1 - December 31, 2024
Cogeneration and Small Power Production Tariff		Utility:	Otter Tail Power Co
Report Year:	2025	Date Submitted:	January 2, 2025

Filing Utility Information		Contact Information	
Company ID#	87	Contact Name	Svetlana Fedje
Company Name	Otter Tail Power Co	Contact Title	Pricing Analyst
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City	Fergus Falls		
State	MN		
Zip Code	56538-0496		

Comments/Notes
<p>SUMMARY OF FILING</p> <p>Otter Tail Power Company, in compliance with Minnesota Administrative Rules, Chapter 7835, Public Utilities Commission Cogeneration and Small Power Production has filed with the Minnesota Public Utilities Commission its annual filing for 2025. The proposed effective date for these rates is for all bills rendered on or after April 1, 2025. The filing consists of the revised Cogeneration and Small Power Production tariff sheets for Net Energy Billing, Simultaneous Purchase and Sale, and Time of Day, plus the associated schedules.</p>

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Instructions:

Due: January 1st, 2025

Reporting period: The tariff is effective for 12 months after the filing date

Complete the following worksheets and e-file in **Excel (XLS or XLSX)** format:

Worksheet 1, Utility Info

Worksheet 2, Minn. Rules 7835.0500 Schedule A: Estimated Energy Costs

Worksheet 3, Minn. Rules 7835.0600 Schedule B: Estimated Capacity Costs

Worksheet 4, Minn. Rules 7835.0650 Schedule C: Average Retail Energy Rate

Worksheet 5, Minn. Rules 7835.1000 Schedule G: Computations and Descriptions

Worksheet 6, Minn. Rules 7835.1100 Schedule H: Wholesale Power Rates

Comments: Wholesale suppliers may provide Schedules A, B, and G to their members to facilitate reporting

Please file Schedules D - F in a separate PDF

To e-file, login, or register, at: <https://www.edockets.state.mn.us/Efiling/home.jsp>

For directions on how to e-file, see: <http://www.commerce.state.mn.us/eDocFile/eFilingHelp.html>

For questions about the worksheets, send an email to: DG.Energy@state.mn.us.

For questions about e-filing, contact Karen Santori at 651-539-1530 or at karen.santori@state.mn.us.

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Minn. Rules 7835.0500 Schedule A: Estimated Energy Costs

Schedule A must contain the estimated system average incremental energy costs by seasonal peak and off-peak periods for each of the next five years. For each seasonal period, system incremental energy costs must be averaged during system daily peak hours, system daily off-peak hours, and all hours in the season. The energy costs must be increased by a factor equal to 50 percent of the line losses shown in schedule B. Schedule A must describe in detail the method used to determine the on-peak and off-peak hours and seasonal periods and must show the resulting on-peak and off-peak and seasonal hours selected.

Please include all computation descriptions in Schedule G

		Estimated Marginal Energy Costs (\$/MWh)				
		2025	2026	2027	2028	2029
			[PROTECTED DATA BEGINS...]	[PROTECTED DATA BEGINS...]	[PROTECTED DATA BEGINS...]	[PROTECTED DATA BEGINS...]
Summer	On Peak	49.87				
	Off Peak	34.60				
	All Hours	41.41				
Winter	On Peak	49.32				
	Off Peak	39.63				
	All Hours	43.94				
Annual	On Peak	49.50				
	Off Peak	37.96				
	All Hours	43.10				

	...PROTECTED DATA ENDS]	...PROTECTED DATA ENDS]	...PROTECTED DATA ENDS]	...PROTECTED DATA ENDS]
Annual # hours on-peak:	3900	3900	3900	3827

Description of season and on-peak and off-peak periods	
Summer:	THE PERIOD OF JUNE 1st THROUGH SEPTEMBER 30th.
Winter:	THE PERIOD OF OCTOBER 1st THROUGH MAY 31st.
On-peak period:	ON-PEAK PERIODS IN SUMMER INCLUDE THOSE HOURS ENDING 0900 TO 2300. (EXCLUSIVE OF WEEKENDS AND HOLIDAYS). ON-PEAK PERIODS IN WINTER INCLUDE THOSE HOURS ENDING 0900 TO 2300. (EXCLUSIVE OF WEEKENDS AND HOLIDAYS).
Off-peak period:	ALL OTHER HOURS ARE OFF-PEAK.

* INCLUDES 50% OF LINE LOSSES FROM SCHEDULE B

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Minn. Rules 7835.0600 Schedule B: Estimated Capacity Costs

Subp. 7. Avoidable capacity costs

If the utility has neither planned generating facility additions nor planned additional capacity purchases, other than from qualifying facilities, during the ensuing ten years, the utility must be deemed to have no avoidable capacity costs.

Planned facility additions or capacity purchases

Fill out Schedule B

Subp. 2. Description of all planned utility generating facility additions anticipated during the next ten years, including:

	Unit 1	Unit 2	Unit 3	Unit 4	Unit 5	Unit 6
A. Name of Unit	50 MW Solway Solar					
B. Nameplate Rating	50MW					
C. Fuel Type	Solar					
D. In-Service Date	2026					
[PROTECTED DATA BEGINS...]						
...PROTECTED DATA ENDS]						
H. Projected average number of kWh/year the plant will generate during its useful life	101,616,000 kWh/year					
I. Average annual fuel savings resulting from the addition of this generating facility, stated in \$/kW	53.52 \$/kW					

Subp. 3. Description of all planned firm capacity purchases, other than from qualifying facilities, during the next ten years, including:

	Purchase 1	Purchase 2	Purchase 3	Purchase 4	Purchase 5	Purchase 6
A. Year of Purchase						
B. Name of the seller						
C. Number of kW of capacity to be purchased						
[PROTECTED DATA BEGINS...]						
...PROTECTED DATA ENDS]						
	Purchase 7	Purchase 8	Purchase 9	Purchase 10	Purchase 11	Purchase 12
A. Year of Purchase						
B. Name of the seller						
C. Number of kW of capacity to be purchased						
D. Capacity cost in \$/kW						
E. Associated energy costs in cents/kWh						

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Minn. Rules 7835.0600 Schedule B: Estimated Capacity Costs						
	Purchase 13	Purchase 14	Purchase 15	Purchase 16	Purchase 17	Purchase 18
A. Year of Purchase						
B. Name of the seller						
C. Number of kW of capacity to be purchased						
D. Capacity cost in \$/kW						
E. Associated energy costs in cents/kWh						

Subp. 4. Utility's overall average percentage of line losses due to distribution, transmission, and transformation of electric energy						
Average Annual line loss	10.35%					
Loss Factors	Summer On-Peak N/A	Summer Off-Peak N/A	Average Summer N/A	Winter On-Peak N/A	Winter Off-Peak N/A	Average Winter N/A

Subp. 5 Net annual avoided capacity cost - Please show calculations in Schedule G		
Averaged on Peak hours	3900	The utility's net annual avoided capacity cost stated in dollars per kilowatt-hour averaged over the on-peak hours and the utility's net annual avoided capacity cost stated in dollars per kilowatt-hour averaged over all hours.
Average Over All Hours	8760	
[PROTECTED DATA BEGINS...]		
		\$151.63
		\$131.41
		\$131.41
		\$151.12
	...PROTECTED DATA ENDS]	\$169.01
G. \$169.01		\$169.01
H. \$0.04334		\$0.04334
I. \$0.01929		\$0.01929

Subp. 6 Net annual avoided capacity cost - Please show calculations in Schedule G		
Averaged on Peak hours	3900	If the utility has no planned generating facility additions for the ensuing ten years, but has planned additional capacity purchases, other than from qualifying facilities, during the ensuing ten years, schedule B must contain its net annual avoided capacity cost stated in dollars per kilowatt-hour averaged over the on-peak hours and the utility's net annual avoided capacity costs stated in dollars per kilowatt-hour averaged over all hours.
Average Over All Hours	8760	
The purchases listed in Subp. 3 are planned during the ensuing ten years. No other additional capacity purchases are planned during the ensuing ten years.		
[PROTECTED DATA BEGINS...]		
...PROTECTED DATA ENDS]		
H. N/A		
I. N/A		

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Minn. Rules 7835.0650 Schedule C: Calculation, Average Retail Energy Rate

7835.0100 DEFINITIONS. Subp. 2a. Average retail utility energy rate. "Average retail utility energy rate" means, for any class of utility customer, the quotient of the total annual class revenue from sales of electricity minus the annual revenue resulting from fixed charges, divided by the annual class kilowatt-hour sales. Data from the most recent 12-month period available before each filing required by parts 7835.0300 to 7835.1200 must be used in the computation.

Sec. 216B.164 MN Statutes

(d) Notwithstanding any provision in this chapter to the contrary, a qualifying facility having less than 40-kilowatt capacity may elect that the compensation for net input by the qualifying facility into the utility system shall be at the average retail utility energy rate. "Average retail utility energy rate" is defined as the average of the retail energy rates, exclusive of special rates based on income, age, or energy conservation, according to the applicable rate schedule of the utility for sales to that class of customer.

Rate Class	Total Class Revenue	Fixed Charges	Interim Rate Refund	kWh Sales	Average Retail Energy Rate
Residential	\$ 61,132,392	\$ 14,043,430		505,971,418	\$ 0.0931
Farm	\$ 5,194,415	\$ 1,022,742		47,257,335	\$ 0.0883
Small Commercial	\$ 37,435,508	\$ 10,075,146		327,903,557	\$ 0.0834
Large Commercial	\$ 133,259,541	\$ 25,954,571		1,823,511,482	\$ 0.0588

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Minn. Rules 7835.0700 Schedule D:

Otter Tail utilizes the standard contracts per 7835.6100, which is available on our website at <https://www.otpc.com/media/1246/2017-uniform-statement-contract-for-cogeneration.pdf>

Minn. Rules 7835.0800 Schedule E:

The standards and procedures utilized are provided on our website at <https://www.otpc.com/help-center/how-to-connect-to-our-power-grid/minnesota-interconnection/>

Minn. Rules 7835.0900 Schedule F:

The notification procedures utilized are provided on our website as described in 7835.0800 Schedule E (above) as well as the terms and conditions stated in each rate schedule. Moreover, see the Interconnection Agreement, VIII. OPERATIONAL ISSUES at https://www.otpc.com/media/1245/dg_interconnectionagreement.pdf

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Minn. Rules 7835.1000 Schedule G: Computations and Descriptions

Schedule G must contain and describe all computations made by the utility in determining Schedules A and B. Please use the space below to show your calculations. Refer to Minn. Rules 7835.0500-7835.0600 for detailed computation descriptions, especially for Schedule B Subp. 5 and 6.

Schedule A:

The Schedule A incremental energy costs are averages calculated from projections of incremental costs and hourly load levels. These projections include fuel and variable operating and maintenance expenses.

For each seasonal period, incremental costs that occurred during the on-peak period were averaged, as were those for the off-peak period over the entire season. Overall average line losses are included in the figures.

Schedule B:

Otter Tail Power Company's Current IRP (Docket: E017/RP-21-339), in its most recent PUC order, OTP has been ordered to build/acquire no less than 200 MWs and up to 300 MWs of solar resources with a commercial operation date of November 1, 2027, or as soon as practicable thereafter; (b) no less than 150 MWs and up to 200 MWs of wind resources with a commercial operation date of December 31, 2029 or as soon as practicable thereafter; and (c) no less than 20 MWs and up to 75 MWs of battery storage resources with a minimum of four hour duration with a commercial operation date of December 31, 2029 or as soon as practicable thereafter.

Otter Tail's calculation process and results are shown below:

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- G. Item E. X 50% of Subp. 4 in Schedule B is \$169.01/kW (\$2024).
- H. Item G. divided by the annual number of hours in the on-peak period (i.e. 3900) is \$0.04334/kWh
- I. Item G. divided by the annual number of hours in the year (i.e. 8760) is \$0.01929/kWh

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Minn. Rules 7835.1100 Schedule H: Wholesale Power Rates

Special Rule for Non-Generating Utilities: Schedule H must list the rates at which a non-generating utility purchases energy and capacity. If the non-generating utility has more than one wholesale supplier, schedule H must list the rates of that supplier from which purchases may first be avoided. If the non-generating utility with more than one wholesale supplier also chooses to file schedules A and B, the data on schedules A and B must be obtained from that supplier from which purchases may first be avoided. Please use the space below to include these rates.