

OTTER TAIL POWER COMPANY

Docket No: EL25-017

Response to: SD Public Utilities Commission

Analyst: Amanda Reiss

Date Received: May 29, 2025

Date Due: June 11, 2025

Date of Response: June 11, 2025

Responding Witness: Amber Grenier, Manager, Regulatory Economics, 218-739-8728

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Data Request:

Does Otter Tail believe the thermal storage customers should be subject to the EEP on their non-firm load? Explain why or why not.

Attachments: 0

Response:

Since the customer's TMEP energy is supplied by a nearby, dedicated, renewable generator that is not owned or operated by OTP, it is independent of the energy resources procured by OTP. As a result, energy efficiency actions taken—or not taken—by TMEP customers do not directly affect other OTP customers in South Dakota. In contrast, OTP procures all other energy delivered in South Dakota for its general customer base. For these customers, energy efficiency investments help reduce overall energy costs.

Additionally, TMEP customers are required to act as load-modifying resources with low-capacity factors, and their usage is tied to the output of a specific non-OTP generator. It is reasonable to expect that future customers qualifying for the TMEP rider will share similar characteristics. Given that TMEP customers' energy usage is decoupled from OTP's broader energy procurement and cost structure, OTP agrees it is appropriate to exempt TMEP energy from the EEP. This exemption ensures that other customers are not impacted—positively or negatively—by the energy usage of TMEP participants.