

OTTER TAIL POWER COMPANY

Docket No: EL25-017

Response to: SD Public Utilities Commission

Analyst: Amanda Reiss

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

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Data Request:

Please explain how energy savings from BSESP energy efficiency investments on their non-firm load would reduce Otter Tail's need to invest in generation resources.

Attachments: 0

Response:

Energy efficiency technologies not only reduce overall energy consumption but also help lower Otter Tail Power's peak demand during high-use periods. This reduction in peak demand decreases the Company's capacity obligations, thereby minimizing the need for additional generation investments. In the case of BSESP, because the customer's non-firm load is tied to and limited by the output of a specific generator, OTP will not need to add generation investments to serve the non-firm load. In addition to BSESP being tied to a specific generator, BSESP will also control for economics. OTP will submit a price-sensitive bid on BSESP's behalf to MISO – this means that during high-use periods when prices are higher, BSESP will likely not be operating its system. BSESP's thermal storage has a multi-day discharge time which allows BSESP the flexibility to run when prices are lower and its renewable resource partner is also generating.