

OTTER TAIL POWER COMPANY
Docket No: EL26-011

Response to: SD Public Utilities Commission

Analyst: Eric Paulson

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Responding Witness: Cristina Zuniga, Supervisor, DSM Administration - 218-739-8240

Data Request:

Refer to page 19 of the Status Report. OTP states, "...auditors implementing the program report diminishing opportunities for low-cost energy efficiency measures, specifically screw-in LED lamps." Given this is part of the justification to end the Commercial Direct Install program, explain why either of the Residential lighting or Commercial lighting programs should be continued given this concern?

Attachments: 0

Response:

There are a couple of distinct variables in program design that set the Residential and Commercial Lighting Programs apart from the Commercial Direct Install Program. The Commercial Direct Install Program is limited in the measures available to be installed at the time of an onsite audit. Auditors will have a small selection of different screw-in LED lamps with them in their vehicle that would be available to install while on-site. The auditor might install a handful of LED lamps during a visit, but it is not the intended purpose of the auditor to conduct a full lighting retrofit which could involve dozens of lighting measures and a variety of lighting technologies. This is a distinct difference compared to the Residential and Commercial Lighting Programs, where the customers have the opportunity to carefully explore technologies, design, budget, and implement lighting projects that best fit their energy efficiency lighting needs. Commercial Lighting customers also have options for more in-depth retrofits, advanced lighting controls, exit fixtures, and incentives for new construction projects that go above and beyond the scope of the Company's Commercial Direct Install Program. The Direct Install Program will lead to minimal savings based on limited opportunities while the Lighting specific Programs have the potential for higher savings associated with more sophisticated projects.

Additionally, the Commercial Direct Install Program does not hold the customer responsible for any costs. The audit and measures installed during the visit are all paid for by Otter Tail Power. The labor, mileage, and tools for the audits are also 100% covered by the Program. As the direct install measure possibilities dwindle, the cost of each kwh saved increases. The Lighting programs on the other hand hold the participants responsible for project costs including measures and installation labor with a rebate to help partially offset those costs. This greatly reduces the cost per kWh saved compared to the Commercial Direct Install Program.

Otter Tail Power continues to see value in continuing the Residential and Commercial Lighting Programs because the savings opportunities for projects are greater and the cost per kWh is significantly lower than the Commercial Direct Install Program.