

OTTER TAIL POWER COMPANY
Docket No: EL26-011

Response to: SD Public Utilities Commission

Analyst: Eric Paulson

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Date of Response: May 28, 2026

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

Data Request:

Refer to the lighting program instant in-store rebates. Explain how OTP ensures only OTP customers are receiving the discount.

Attachments: 0

Response:

As originally described in Otter Tail Power's 2021-2023 South Dakota Energy Efficiency Plan filing, the Company implements its residential lighting program for all LED screw-in lamp buyers regardless of whether they are a customer or not. In this filing, the Company justified the strategy for the following reasons:

1) Incentive structure

Customers are more likely to spend five, ten, or even twenty dollars on Energy Star-rated LED bulbs for their homes under a simple, hassle-free discount as proposed by Otter Tail Power in its Home Lighting program. Alternatively, requiring participating retail stores to first verify they are an Otter Tail Power customer deters retailers from participating and offering mid-stream incentives. Most retail store owners and managers do not want to be part of a program requiring them to turn away even a small number of customers for price discounts on LED bulbs. At the same time, requiring customers to complete paperwork or online forms with proof of purchase for a relatively modest rebate is not as successful as instant price discounts to encourage customers to invest in more expensive, but more efficient and longer lasting LED products.

2) Shopping patterns

Just as shoppers who are not Otter Tail Power customers are capable of buying bulbs with discounts provided courtesy of the Company's Home Lighting program, Otter Tail Power customers have additional purchase options, and likely purchase bulbs at stores outside of the Company's South Dakota service territory or through online retailers. The purchase of these Energy -Star rated LED bulbs would be considered "spillover" which is the purchase of energy efficient products outside of Otter Tail Power's programs made by motivated and informed customers. Otter Tail Power is not able to track and account for these purchases by 'free drivers' that reduce energy consumption in South Dakota homes and benefit other South Dakota customers served by Otter Tail Power even though they are not directly rebated by the Company.