

OTTER TAIL POWER COMPANY
Docket No: EL26-011

Response to: SD Public Utilities Commission
Analyst: Eric Paulson
Date Received: May 13, 2026
Date Due: May 28, 2026
Date of Response: May 28, 2026
Responding Witness: Cristina Zuniga, Supervisor, DSM Administration - 218-739-8240

Data Request:

Refer to page 5 of the Status report, why did new construction rebase significantly go over the proposed participation?

Attachments: 0

Response:

Otter Tail Power sets the Home Lighting participation goals based upon a mix of historical actual projects (new construction and retrofit) and insights from the Otter Tail Power Energy Management Representative working in our South Dakota Service Area. Residential new construction lighting project measures have been significantly higher in both 2024 and 2025 than originally anticipated. These results show that new construction projects are installing more measures per home than we had forecasted. The 2025 results included 11 separate projects, the average project included 44 measures while the project with the most rebated measures included 93, in our goals we included 92 measures total. These increases will be represented within the Home Lighting goals we present in our upcoming 2027-2029 South Dakota Energy Efficiency Plan to be filed in the Summer of 2026.

Trends in the overall U.S. residential home design and construction appear to support trends observed with Otter Tail Power's South Dakota customers. Reasons for increasing fixture counts in newly constructed homes and major remodels include:

- 1) Modern design preferences with minimalist interiors favor hidden light sources (recessed, cove, and strip lighting).
- 2) Open floor plans with large, open spaces need a higher number of distributed light points as opposed to a single fixture placed in the middle of a smaller room.
- 3) Efficiency rules related to lighting favor LED technology, enables different layouts featuring the recessed, cove, and strip lighting referenced above.
- 4) Advanced controls allowing for zoning, dimming, and automation encourage more fixtures even though the usage per fixture with LED's is lower than any previous lighting technology used to date.