

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 the Commercial Heat Pumps program participation chart on page 12 of the Status Report.

- a. Explain why participation was below projections for each program.
- b. Provide a chart similar to the one provided but broken out by dollars by program.

Attachments: 0

Response:

Part A.

Otter Tail Power sets participation goals for its triennial period based upon historical measure participation and insights from the Otter Tail Power Energy Management Representative (EMR) in the South Dakota Service Area. While there is always a factor of the unknown in participation, a driving factor of success during a program year is the availability and proactive activities made by an EMR. During the 2025 program year, our South Dakota EMR was out on leave for a significant amount of time in the spring and ultimately retired later in the year. While we were able to continue our programs in 2025 with additional resources, it did leave a gap in promotional activities within the communities we serve. EMRs have personal relationships with commercial customers, make themselves available to residential customers for questions, and provide education to our Service Representatives on our programs so that they can answer questions and help assist customers while they are out in the field. We believe our program year struggled because of the lack of personal touch which is usually so present within our communities. We are happy to have hired a new EMR for South Dakota in November of 2025. Our new EMR is motivated to continue to build relationships with our customers and educate them on the opportunities within our programs. We expect improved results for 2026.

Specific to the Commercial Heat Pump Program, we did see lower participation under the Geothermal and Pre-Heating Domestic Hot Water with Heat Pump Technology, these are unique and capital-intensive technologies that would not be readily available or appropriate for the average customer, making the lower participation understandable. We also saw lower than forecasted participation under Quality Installation, however when comparing the number of customers who made a Heat Pump Installation (22) to the number of customers who participated in a Quality installation (18) only four customers did not participate in the Quality Installation Program. This

translates to an 82% success rate in commercial customers utilizing both measures under the Commercial Heat Pump Program.

Part B.

Commercial Heat Pumps	Actual	Budget	% of Goal
Heat Pump Units	\$ 81,450	\$ 103,900	78%
Quality Installation	\$ 15,700	\$ 8,000	196%
Pre-Heating DHW with HP	\$ -	\$ 600	0%
Administrative and Implementation Costs	\$ 21,976	\$ 19,500	113%
Total	\$ 119,126	\$ 132,000	90%