OTTER TAIL POWER COMPANY
Docket No: EL26-015

Response to: SD Public Utilities Commission
Analyst: Joseph Rezac
Date Received: July 23, 2026
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Date of Response: August 03, 2026
Responding Witness: Amber Grenier, Manager, Regulatory Economics, 218-739-8728

Data Request:
What is the difference between individual Asset Owners for each jurisdiction and a separate system-wide Asset Owner. What are the pros and cons to each option OTP evaluated.

Attachments: 0

Response:

Prior to June 1, 2026, OTP separately bid its total retail load and all its generation resources into the MISO Market under the OTPW Asset Owner. The revenues and costs associated with its load and its generation resources were settled in the MISO market and shared among all of its jurisdictions.

Beginning June 1, 2026, OTP continues to bid its total retail load and its generation resourced shared by all three jurisdictions under the OTPW Asset Owner. However, generation resources solely owned by one jurisdiction or shared by two of the three jurisdictions, are bid into the MISO Market under different Asset Owners designations. Revenues and costs attributed to these generation resources are settled under the designated Asset Owners so they may be assigned to the appropriate jurisdictions.

OTP currently has five Asset Owner designations:

1. OTPW – System-wide resources
    a. OTP retail load
    b. Big Stone Plant
    c. Wind Resources
    d. Hydro Resources
2. OTPM – Minnesota only resources
    a. Hoot Lake Solar
    b. Coyote AME (Minnesota portion of Coyote)
3. OTPK: North Dakota and South Dakota resources
    a. Coyote non-AME (North Dakota and South Dakota portion of Coyote)
4. OTPB: Minnesota and South Dakota future resources
    a. Solway Solar
    b. Abercrombie Solar

5. Thermal Market Energy Pricing Asset Owner

The Company evaluated whether to create individual Asset Owners for each jurisdiction and an additional system-wide Asset Owner, or to use multi-jurisdictional Asset Owners. The Company ultimately determined that multi-jurisdictional Asset Owners were necessary for both operational and administrative reasons.

First, MISO does not provide a practical mechanism to split a single physical generating resource into multiple Asset Owners. If OTP were to divide a resource—such as a future natural gas facility—into three separate Asset Owners, MISO would treat those shares as distinct, independent resources. This would allow MISO to commit one share and not the others, which is not feasible for a single physical generator. This challenge already affects jointly owned resources, where different owners must offer their respective shares independently because they are separate companies. Creating this scenario within OTP's own fleet would introduce unnecessary operational complexity.

Second, splitting all generation assets into separate Asset Owners would create substantial additional daily administrative work. OTP staff would need to submit separate offers for each Asset Owner every day and would process additional settlement streams for each artificially created resource split.

Third, MISO commercial model updates would be required every time jurisdictional allocations change. Under a multi-jurisdictional structure, updates are far less frequent because each Asset Owner already represents the appropriate allocation group.