

OTTER TAIL POWER COMPANY
Docket No: EL26-023

Response to: South Dakota Public Utilities Commission
Analyst: Joseph Rezac
Date Received: 10/05/2026
Date Due: 10/19/2026
Date of Response: 10/19/2026
Responding Witness: Cristina Zuniga, 218-739-8240

Information Request:

For each direct impact program:

- a) Provide a TRC score calculation for each individual measure proposed in the plan
- b) Explain how the Company determined each rebate or discount amount and how those rebates affect the proposed TRC for the programs.
- c) For each incentive currently offered, provide a comparison of the proposed incentive amount to the current amount and explain any proposed changes.

Attachments:

Attachment 1 to DR SD-PUC-01.05
Attachment 2 to DR SD-PUC-01.05

Response:

As described in more detail in the response to Data Request 4, the Company does not attribute individual program costs to each measure. However, for illustrative purposes to respond to this request, Otter Tail Power allocated program costs to each measure utilizing a weighted savings method. For example, if Measure A at its estimated participation level achieved 50% of program savings, then it would be assigned 50% of the program administrative costs. Results of this analysis for 2027, 2028, and 2029, can be found in Attachment 1.

Rebates are reviewed on an individual basis during the planning of each Triennial. Rebate changes can be driven by past measure performance, anticipated participation and demand, cost effectiveness, or adjusted to help prepare the market for the discontinuation of specific measures. A summary of rebate changes can be found in Attachment 2 of this response. Our specific influences for program rebate changes for the 2027-2029 Triennial are outlined below.

- **Air Conditioning Control** – No proposed changes. Incentive structures are currently listed in the South Dakota Tariff. No impact on the TRC.
- **Residential Home Lighting** – The average increase in rebate dollars per bulb being purchased with our Retail Store partners is \$0.15. The increases per bulb type were recommended by our third-party implementation contractor SlipStream. The individual hardwired lighting rebates for both New Construction and Retrofit have not changed. The New Construction rebate continues to be on a per unit basis in compliance with the table below.

<u>Installed Lighting</u>	<u>Wattage</u>	<u>Rebate per Unit</u>
LED fixtures (interior)	<30	\$10.00
	30 to 49	\$15.00
	50 to 79	\$25.00
	80 to 99	\$30.00
	>99	\$50.00
LED fixtures (exterior)	<30	\$5.00
	30 to 49	\$7.50
	50 to 79	\$10.00
	80 to 99	\$15.00
	>99	\$20.00

Retrofit projects are calculated according to the guidelines below.

EXISTING TECHNOLOGY	REPLACED WITH	REBATE PER WATT SAVED
Low-efficiency incandescent / fluorescent	Screw-in LED indoor (with and without removal prevention devices)	10¢
	Screw-in LED outdoor (with and without removal prevention devices)	5¢
	Hard-wired LED indoor	25¢
	Hard-wired LED outdoor	15¢
Standard T8 fluorescent lamps	LED lamp-only retrofit	15¢
Mercury-vapor	Hard-wired LED indoor	25¢
	Hard-wired LED outdoor	15¢
	Screw-in LED indoor	10¢
	Screw-in LED outdoor	5¢
Standard high-intensity discharge (HID)	Hard-wired LED indoor	25¢
	Hard-wired LED outdoor	15¢
	Screw-in LED indoor	10¢
	Screw-in LED outdoor	5¢
Exit lighting fixtures	High-efficiency LED exit lighting (based on maximum demand reduction of 20 watts/fixture)	25¢
Occupancy/daylight sensing controls		\$100 per connected kw

The methodology behind forecasting the project size was updated in this Triennial Plan. In previous plans, forecasts were based upon the savings of previous program results. However, for the 2027-2029 residential lighting saving estimates, the Company utilized the average number of units per project and the specific TRM savings per fixture. This change allowed for a more accurate savings and rebate estimate. This change reflects a significantly higher average rebate amount per project, but the actual rebate amounts have not changed. No impact on TRC results.

- **Residential Home Heating and Cooling** – Proposed rebate restructuring to the A/C rebates is not to encourage the purchase of A/C units, but instead, to gather data on which contractors continue to install A/C units instead of heat pumps and to ensure that A/C units that are still being purchased are being installed as efficient as possible. Heat Pump rebates for all different technologies have been increased to help offset rising equipment costs. The Company believes the increase is necessary to continue customer participation and program success. Overall, the change in rebates will decrease the TRC.

- **Residential Smart Thermostat** – The rebate structure for Smart Thermostats was revised to help mitigate customer confusion by reducing the number of rebate tiers from four to two. The rebate was also reduced to help with cost effectiveness concerns that have occurred in the program in the past. This reduction will improve the TRC results.
- **Commercial Drive Power** – No rebate changes proposed, feedback on the program did not indicate changes were needed. No impact on TRC results.
- **Custom Grants** – No rebate structure changes proposed. No impact on TRC results.
- **Commercial Heating and Cooling** – Heat Pump rebates for all different technologies have been increased to help offset rising equipment costs. The Company believes the increase is necessary to continue customer participation and program success. Overall, the change in rebates will decrease the TRC.
- **Commercial Lighting** – Similar to the Residential Lighting Program, the rebate levels for the Commercial Lighting Program have not changed, but the methodology in calculating an average project have been updated resulting in a higher rebate per project. There are no changes in rebate levels so there is no impact on TRC results. The New Construction rebate continues to be on a per unit basis in compliance with the table below.

<u>Installed Lighting</u>	<u>Wattage</u>	<u>Rebate per Unit</u>
LED fixtures (interior)	<30	\$10.00
	30 to 49	\$15.00
	50 to 79	\$25.00
	80 to 99	\$30.00
	>99	\$50.00
LED fixtures (exterior)	<30	\$5.00
	30 to 49	\$7.50
	50 to 79	\$10.00
	80 to 99	\$15.00
	>99	\$20.00
LED screw-in (interior)	<10	\$1.00
	10 to 24	\$2.25
	25 to 49	\$5.00
	50 to 75	\$10.00
LED screw-in (exterior)	<10	\$0.75
	10 to 24	\$1.00
	25 to 49	\$2.50
	50 to 75	\$4.00
Controls (motion/daylight sensors)		\$100 per connected kw

Retrofit projects are calculated according to the guidelines below.

EXISTING TECHNOLOGY	REPLACED WITH	REBATE PER WATT SAVED
Low-efficiency incandescent / fluorescent	Screw-in LED indoor (with and without removal prevention devices)	10¢
	Screw-in LED outdoor (with and without removal prevention devices)	5¢
	Hard-wired LED indoor	25¢
	Hard-wired LED outdoor	15¢
Standard T8 fluorescent lamps	LED lamp-only retrofit	15¢
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	Hard-wired LED outdoor	15¢
	Screw-in LED indoor	10¢
	Screw-in LED outdoor	5¢
Standard high-intensity discharge (HID)	Hard-wired LED indoor	25¢
	Hard-wired LED outdoor	15¢
	Screw-in LED indoor	10¢
	Screw-in LED outdoor	5¢
Exit lighting fixtures	High-efficiency LED exit lighting (based on maximum demand reduction of 20 watts/fixture)	25¢
Occupancy/daylight sensing controls		\$100 per connected kw