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May 6, 2019

Steve Kahl, Executive Secretary  
North Dakota Public Service Commission  
Department 408  
600 East Boulevard Avenue  
Bismarck, ND 58505-0480

**RE: 2018 ANNUAL RENEWABLE ENERGY OBJECTIVE STATUS REPORT**

This document is the report of Otter Tail Power Company, to the North Dakota Public Service Commission on the Company's efforts and status on compliance with the North Dakota Renewable and Recycled Energy Objective contained in Statutes §49-02-24 through §49-02-26 and §49-02-28 through §49-02-34. This report is required annually commencing on June 30, 2009.

In general, RECs are either retired or sold to demonstrate compliance with the various renewable energy standards and objectives in the states in which the Company operates and ensure an orderly and accurate accounting of RECs across the industry. Consistent with the letter from Commission staff dated May 6, 2016, where investor-owned utilities, including Otter Tail, were instructed to "established a systematic program to sell all RECs remaining after 2015 and all RECs generated after 2015", the company plans to continue to sell all or as many of the North Dakota RECs as possible that are generated each year going forward. No RECs will be retired for 2018 or beyond for North Dakota REO compliance. The Company will pass all North Dakota allocated REC sale proceeds on to North Dakota customers.

Since May 1, 2010 the Company has sold over 2.7 million North Dakota RECs generated during the 2008-2018 period, producing North Dakota customer credits exceeding \$1.8 million. In future years, we will continue to look for optimal sale opportunities in the REC market for our inventory of North Dakota RECs, and timely sell them for the benefit of our retail customers.

If there are questions regarding information contained in the attached report, please feel free to contact me or Carol Westergard at (218-739-8883) or [rsynstelien@otpc.com](mailto:rsynstelien@otpc.com). An original and 7 copies will be sent to you via USPS.

Sincerely,

Randy Synstelien  
Principal Resource Planner

kaw  
Enclosures  
By Electronic filing and USPS

1 PU-19-174 Filed 05/06/2019 Pages: 4  
2018 Annual Renewable Energy Objective Status Report  
Otter Tail Power Company  
Randy Synstelien

## INTRODUCTION

Pursuant to North Dakota Century Code §49-02-34, Otter Tail Power Company (Otter Tail or Company), makes this information filing electronically to the North Dakota Public Service Commission. This filing is the Company's eighth annual report on efforts to meet the state renewable and recycled energy objective that 10% of all electricity sold at retail be obtained from renewable and recycled energy sources by 2018.<sup>1</sup>

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<sup>1</sup> North Dakota Century Code §49-02-28.

## NORTH DAKOTA RENEWABLE AND RECYCLED ENERGY

The following data is for the January 1, 2018 – December 31, 2018 time period. The data assumes that energy from renewable energy resources is allocated across the Otter Tail system based on retail sales kWh. The exception to this allocation methodology is that *TailWinds* energy is based on the amount of wind energy sold under the green pricing program in North Dakota. Pursuant to North Dakota Century Code §49-02-34, the hydroelectric energy shown in the table below does not count toward compliance, but can be subtracted from retail sales before calculating the percentage of compliance.

<b>North Dakota Renewable and Recycled Energy MWh Generated During the Period January 1, 2018 – December 31, 2018</b>			
<b>Resource</b>	<b>Total kWh</b>	<b>ND Percentage<sup>2</sup></b>	<b>ND kWh</b>
FPLE ND Wind II	47,531,279	36.88%	17,531,105
Customer A	9,190,638	36.96%	3,397,238
FPLE Langdon	69,930,743	36.92%	25,819,333
OTP Langdon	143,039,468	36.86%	52,725,003
Ashtabula Wind	151,821,897	36.91%	56,038,675
Luverne Wind	177,561,316	36.91%	65,535,414
North Dakota <i>TailWinds</i>	373,576	100.0%	373,576
OTP Owned Hydro	21,971,161	36.77%	8,078,663
WAPA Hydro	29,870,429	36.78%	10,986,777 <sup>3</sup>
Ashtabula Wind III	212,385,768	36.91%	78,398,972
GSA, Pembina	951,084	37.11%	352,940
Small DG in M-RETS	209	35.88%	75

<sup>2</sup> Energy is allocated to jurisdictions based on monthly jurisdictional retail sales.

<sup>3</sup> The WAPA hydroelectric energy is an allocation to five Native American tribes.

**North Dakota Renewable and Recycled Energy Compliance  
January 1, 2018 – December 31, 2018**

North Dakota Retail Sales	1,830,570,493 kWh
Less Hydro Energy Adjustment	-19,065,441
Net ND Retail Sales for REO Compliance	1,811,505,052
North Dakota Renewable Energy	300,172,331
<sup>4</sup> ND REO Compliance Percentage Potential	16.57%
ND REO RECs Retired for 2018 Compliance	0

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<sup>4</sup> OTP may sell RECs to third parties. RECs sold to third parties would not be eligible for regulatory compliance.