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May 11, 2020

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

RE: 2019 ANNUAL RENEWABLE ENERGY OBJECTIVE STATUS REPORT

Dear Mr. Kahl:

This document is the report of Otter Tail Power Company (Otter Tail or 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 N.D.C.C. §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, renewable energy credits (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 to 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 "establish 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 2019 or beyond for North Dakota Renewable and Recycled Energy Objective 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 3 million North Dakota RECs generated during the 2008-2019 period, producing North Dakota customer credits exceeding \$2.1 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.

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If there are questions regarding information contained in the attached report, please feel free to contact me or Mikayla Osterman at (218-739-8545) or rsynsteliem@otpc.com. An original and 7 copies will be sent to you via USPS.

Sincerely,

/s/ RANDY SYNSTELIEN
Randy Synsteliem
Principal Resource Planner

cjh
Enclosures
By Electronic filing and USPS

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 eight 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 2019.¹

¹ N.D.C.C. §49-02-28.

NORTH DAKOTA RENEWABLE AND RECYCLED ENERGY

The following data is for the January 1, 2019 – December 31, 2019 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 N.D.C.C. §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.

North Dakota Renewable and Recycled Energy MWh Generated During the Period January 1, 2019 – December 31, 2019			
Resource	Total kWh	ND Percentage²	ND kWh
FPLE ND Wind II	47,224,761	36.20%	17,094,786
Customer A	9,281,961	36.48%	3,385,600
FPLE Langdon	68,868,660	36.42%	25,081,679
OTP Langdon	137,214,241	36.48%	50,049,331
Ashtabula Wind	139,350,525	36.39%	50,714,590
Luverne Wind	165,727,391	36.43%	60,372,667
North Dakota <i>TailWinds</i>	353,800	100.0%	353,800
OTP Owned Hydro	25,043,426	36.32%	9,096,090
WAPA Hydro	29,870,429	36.44%	10,885,671 ³
Ashtabula Wind III	199,566,270	36.39%	72,622,629
GSA, Pembina	420,866	39.50%	166,230
Small DG in M-RETS	411	35.64%	146

² Energy is allocated to jurisdictions based on monthly jurisdictional retail sales.

³ The WAPA hydroelectric energy is an allocation to five Native American tribes.

**North Dakota Renewable and Recycled Energy Compliance
January 1, 2019 – December 31, 2019**

North Dakota Retail Sales	1,829,993,699 kWh
Less Hydro Energy Adjustment	-19,981,760
Net ND Retail Sales for REO Compliance	1,810,011,939
North Dakota Renewable Energy	279,841,459
⁴ ND REO Compliance Percentage Potential	15.46%
ND REO RECs Retired for 2019 Compliance	0

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