

# Memorandum

To: Commissioners Julie Fedorchak, Randy Christmann, and Sheri Haugen-Hoffart

From: Adam Renfandt

Date: February 14, 2022

Re: Otter Tail Power Company, Integrated Resource Plan, Information (PU-21-380)

On September 1, 2021, Otter Tail Power Company (Otter Tail) filed its 2022-2036 Integrated Resource Plan. Its Preferred Plan calls for the following actions:

1. Adding 150 MW of solar in 2025
2. Adding dual fuel capability at Astoria Station by 2026
3. Adding 100 MW of wind in 2027
4. Withdrawing from its 35% ownership interest in Coyote Station<sup>1</sup> by 2028
5. Adding 50 MW of solar in 2033
6. Achieving an average annual energy savings of approximately 1.86% of retail sales from 2022 through 2036

The present value of revenue requirements for Otter Tail's Preferred Plan is approximately \$2.5 billion through 2050 without externalities.

Under North Dakota Century Code section 49-05-17(4), "[t]he commission may require an electric public utility to pay a fee necessary for completion of an evaluation in an amount not to exceed two hundred fifty thousand dollars".

Given the proposed changes to the resource mix, Staff recommends that the Commission open an investigation into Otter Tail's Integrated Resource Plan covering the 2022-2036 planning period and assess a fee of \$250,000.

c: Nathan Jensen, Otter Tail Power Co.

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<sup>1</sup> Coyote Station is 35% owned by Otter Tail Power Co., 30% owned by Northern Municipal Power Agency, 25% owned by Montana-Dakota Utilities Co., and 10% owned by Northwestern Public Service Co.