

STATE OF NORTH DAKOTA
PUBLIC SERVICE COMMISSION

**Otter Tail Power Company
Integrated Resource Plan
Biennial Filing**

Case No. PU-21-380

ORDER AND GUIDANCE ON INTEGRATED RESOURCE PLAN

December 4, 2024

Preliminary Statement

On September 1, 2021, Otter Tail Power Company (OTP) filed its 2022-2036 Integrated Resource Plan (IRP).

On February 23, 2022, the Public Service Commission (Commission) opened an investigation into OTP's IRP.

On October 14, 2022, OTP requested the Commission to delay its investigation until after March 31, 2023, due to changing assumptions that drove its IRP filing.

On January 1, 2023, the Commission's administrative rules for integrated resource planning were published.

On March 31, 2023, OTP filed a supplemental IRP.

On November 20, 2023, the Commission held an Informal Hearing to discuss the matter with OTP.

On March 1, 2024, CDG Engineers (Commission Staff's consultant for this proceeding) filed its review report (Report) of OTP's IRP.

On September 3, 2024, CDG Engineers filed an update to its Report based upon discussions with OTP (together with the Report, the Investigative Report).

On September 23, 2024, OTP filed a request for guidance on its IRP and upcoming resource additions.

On October 18, 2024, the Commission held an Informal Hearing to discuss the matter with OTP.

Discussion

North Dakota Century Code (NDCC) section 49-05-04.4 requires electric public utilities to submit IRPs to the Commission. NDCC section 49-05-17 specifies the general requirements for IRPs.

The Investigative Report finds that the least cost plan to meet OTP's North Dakota customers' needs does not include the addition of any generation resources through the year 2030.

In its September 23, 2024, filing, OTP requested guidance to help streamline its procurement efforts and avoid unnecessary regulatory filings between its respective jurisdictions. Specifically, OTP requested the following guidance:

1. That the Commission's Investigation Report is complete and that no material changes are pending or planned, and that the Commission adopts and supports the Investigation Report's conclusions and recommendations concerning new resource additions.
2. That based on the Investigation Report, the Commission does not support the addition of new wind or solar generation or battery storage through 2030 on behalf of Otter Tail's North Dakota customers regardless of where these resources may be sited. The foregoing confirmation assumes that new generation and battery storage fall within the Investigation Report's modeling parameters and assumptions and that these issues will be re-evaluated in OTP's next IRP.

Having reviewed the request and the filings, and discussed the request during the Informal Hearing, the Commission provides the following guidance:

Guidance

1. The Commission agrees that the Investigative Report is complete, and no material changes are pending or planned.
2. The Commission finds that the Investigative Report aligns with North Dakota energy policy.
3. Based upon the Investigative Report's findings and the record in this proceeding, the Commission does not support the addition of new wind or solar generation or battery storage through 2030 on behalf of North Dakota customers regardless of where they may be sited, including the potential North Dakota solar project OTP disclosed to the Commission during the October 18, 2024, Informal Hearing.

4. OTP is subject to least-cost planning consistent with North Dakota energy policy. To the extent that a change in assumptions or pricing provide opportunities for cost savings to OTP's North Dakota ratepayers, the Commission expects OTP to give appropriate notice and opportunity for Commission consideration.

North Dakota Administrative Code (NDAC) chapter 69-09-12 specifies the Commission's requirements for IRPs. The requirements set forth under NDAC chapter 69-09-12 were not published during the initiation of investigation. As a result, the Commission determines the current IRP is not subject to the notice requirements set forth in NDAC section 69-09-12-02(3) and therefore notice is not necessary.

During the Informal Hearing, OTP provided that it will file an IRP no later than 2026 consistent with North Dakota statutes and regulations.

Based upon the filings and Informal Hearing, the Commission orders the following:

Order

The Commission Orders:

1. The Commission's investigation into OTP's 2022-2036 Integrated Resource Plan (IRP) is complete.
2. Based upon the Commission's investigation, the Commission does not support the addition of new generation through 2030.
3. OTP shall file its next IRP no later than May 15, 2027.

PUBLIC SERVICE COMMISSION



Sheri Haugen-Hoffart
Commissioner



Randy Christmann
Chair



Julie Fedorchak
Commissioner