

Revised Decision Options

Otter Tail Power Power Integrated Distribution Plan and Transportation Electrification Plan
Docket E017/M-23-380

- Otter Tail, the Department, and GEC sent preferred decision options. Where there are changes in support from the briefing papers Staff has noted it in (red underline)
- New or modified decision options are also included in red underline and prefaced by the organization sponsoring them, for example “OTP 3”
- Staff has listed where participants are opposed to a decision option. If a non-utility participant is not listed under support or oppose, they took no position on the issue. In some instances, Staff has provided additional context when a participant took no position.
- Submissions received by participants are attached to the end of the revised decision options and contain additional context on participant preferences.

Summary of Positions

DO #	OTP	Department	GEC
1	Support	Support	No Position
2	Support	Support	No Position
3	See OTP 3	Support	No Position
OTP 3	Support	No Position	No Position
4	Support	Support	No Position
5	See OTP 5	Support	No Position
OTP 5	Support	No Position	No Position
6	Support	Support	No Position
7	Oppose	Support	No Position
8	Oppose	Oppose	No Position
9	Support	Support	No Position
10	Oppose	Support	Prefers 11
11	Support	Oppose	Support
12	Support	See DOC 13	Support
13	Oppose	See DOC 13	Oppose
DOC 13	No Position	Support	No Position
14	Support	Support	No Position
15	Support	Support	No Position

Decision Options

IDP Acceptance

The Commission should select DO 1

1. Accept Otter Tail Power's 2023 IDP Report as in compliance with IDP reporting requirements. Acceptance of the 2023 IDP has no bearing on prudence nor certification under Minn. Stat. § 216B.2425, subd. 3. (OTP, Department)

Modifications for Future IDPs

The Commission may select any combination of DO 2-5, or none of the options. For DO 3, it may select the original 3 or OTP 3. For DO 5 it may select the original 5 or OTP 5.

2. Direct Otter Tail to file a cost-benefit analysis for DRMS in a supplemental filing, to be provided within 180 days of the Commission's final Order in this proceeding. (Department, [OTP](#))
3. Direct Otter Tail to submit a supplemental filing, to be provided within 180 days of the Commission's final Order in this proceeding, with a detailed description of its process for NWA analysis. (Department)

OR

OTP 3 Direct Otter Tail to submit in its next IDP its process for NWA analysis. (OTP)

4. Direct Otter Tail to provide in its 2025 IDP an update on the Morris Flow Battery project. (Department, [OTP](#))
5. Direct Otter Tail to include in its 2025 IDP an update on the Morris, Minnesota impact study and identify the specific investments included in its budget to mitigate risks identified in the study. (Department)

OR

OTP 5 Direct Otter Tail to include in its 2025 IDP an update on the Morris, Minnesota impact study. (OTP)

Staff recommends the Commission adopt DO 6.

6. Revise the IDP filing requirements to identify the sub-sections establishing the requirements for Non-Wires (Non-Traditional) Alternatives Analysis and the TEP as sections 3.E and 3.F, respectively. (Department, OTP)

*The Commission may select DO 7 **AND/OR** 8, **OR** DO 9, or none of the options. These decision options are explained the Joint Briefing Papers.*

7. Direct Otter Tail Power to develop a suite of metrics to track resiliency, including SAIDI with MEDs and SAIFI with MEDs, and other metrics to the extent warranted in its 2025 IDP. (Department)
Opposed: OTP

AND/OR

8. Direct Otter Tail Power to provide a proposal for measuring the capacity, reliability, ratepayer impacts, and equity impacts of its distribution grid investments in its next IDP. This proposal shall specifically address the level of granularity at which Otter Tail Power will evaluate these impacts for each budget category, indicating for each category whether Otter Tail Power plans to measure these impacts at the level of the budget category, program, project, or at some other level of resolution, or not at all, and specifically accounting for the impact of any expected changes to IDP budget categories.

(~~Department~~ – now supports DO 9)

Opposed: OTP

OR

9. Delegate authority to the Executive Secretary work with Otter Tail Power and stakeholders to discuss metrics reported across distribution dockets and delegate authority to the Executive Secretary to approve via notice a stakeholder agreement on metrics reporting if one is reached. At minimum, the proposal and metrics shall include the following components:
- a. Reliability metrics such as SAIDI, SAIFI, CAIDI, CEMI, and CELI
 - b. Distribution spending by IDP budget categories
 - c. Whether there is available hosting capacity for generation or load at the primary system level
 - d. Demographic data including race and income
 - e. Installed DERs, ECO rebates, DR customers enrolled in programs
 - f. Metrics reported at a feeder and/or census block group level

(Staff, OTP, ~~Department~~)

*The Commission may select either DO 10 **OR** DO 11, or neither. These decision options are explained the Joint Briefing Papers.*

10. Order Otter Tail Power to file a supplemental filing within [180 days] of the Commission's Order in this docket that proposes a plan to accelerate beneficial electrification for its customers, including a discussion of how to incentivize dual fuel adoption for space heating and electrification of water heating, and provide forecasts of expected grid impacts of the same. (Department, GEC – second option, prefers DO 11)

Opposed: OTP

OR

11. Delegate authority to the Executive Secretary to work with Otter Tail Power, the Department, and stakeholders to modify the IDP filing requirements to include discussions of the impacts of electrification where appropriate. Delegate authority to the Executive Secretary approve via notice a stakeholder agreement on amended filing requirements if one is reached. (Staff, OTP, GEC - preferred)

Opposed: Department

The Commission may select DO 12 or DO 13 or DOC 13, or neither. These decision options are explained in the Joint Briefing Papers.

12. Delegate authority to the Executive Secretary to work with Otter Tail Power and stakeholders on ways to modify the IDP budget categories to allow for comparisons between utilities and comparison of historic to forecasted data. Delegate authority to the Executive Secretary to approve via notice a stakeholder agreement on amended filing requirements if one is reached. (Staff, OTP, GEC)

OR

13. Modify Otter Tail Power's IDP filing requirements to amend requirement 3.A.26, 3.A.28, and 3.A.29 to remove the requirement that financial information be reported in IDP-specific categories as follows:
Opposed: OTP, GEC

3.A.26 Historical distribution system spending for the past 5-years, ~~in each category. Information shall be reflected in categories consistent with the Company's cost recovery proceedings.~~

- ~~a. Age-Related Replacements and Asset Renewal~~
- ~~b. System Expansion or Upgrades for Capacity~~
- ~~c. System Expansion or Upgrades for Reliability and Power Quality~~
- ~~d. New Customer Projects and New Revenue~~
- ~~e. Grid Modernization and Pilot Projects~~
- ~~f. Projects related to local (or other) government requirements~~
- ~~g. Metering~~
- ~~h. Other~~
- ~~i. Electric Vehicle Programs~~
 - ~~1) Capital Costs~~
 - ~~2) O&M Costs~~
 - ~~3) Marketing and Communications~~
 - ~~4) Other (provide explanation of what is in "other")~~

~~The Company may provide in the IDP any 2018 or earlier data in the following rate case categories:~~

- ~~a. Asset Health~~
- ~~b. New Business~~
- ~~c. Capacity~~
- ~~d. Fleet, Tools, and Equipment~~
- ~~e. Grid Modernization~~

For each category, provide a description of what items and investments are included.

- 3.A.28 Projected distribution system spending for 5 years into the future ~~for the categories listed above in categories consistent with the Company's cost recovery proceedings. itemizing any non-traditional distribution projects.~~
- 3.A.29 Planned distribution capital projects, including drivers for the project, timeline for improvement, summary of anticipated changes in historic spending. Projects shall be reflected in categories consistent with the Company's cost recovery proceedings. ~~Driver categories should include:~~
- ~~a. Age-Related Replacements and Asset Renewal~~
 - ~~b. System Expansion or Upgrades for Capacity~~
 - ~~c. System Expansion or Upgrades for Reliability and Power Quality~~
 - ~~d. New Customer Projects and New Revenue~~
 - ~~e. Grid Modernization and Pilot Projects~~
 - ~~f. Projects related to local (or other) government requirements~~
 - ~~g. Metering~~
 - ~~h. Other~~
 - ~~i. Electric Vehicle Programs~~
 - ~~1) Capital Costs~~
 - ~~2) O&M Costs~~
 - ~~3) Marketing and Communications~~
 - ~~4) Other (provide explanation of what is in "other")~~

DOC 13 Require Otter Tail Power to file both the IDP budget categories and the categories of the Company's cost recovery proceedings in its 2025 IDP. (Staff interpretation of Department alternative to DO 12 and 13)

TEP Decision Options

The Commission should select DO 14 and 15

- 14. Approve Otter Tail Power's 2023 Transportation Electrification Plan. (OTP, Department)
- 15. Require Otter Tail Power to file its next TEP by November 1, 2025. (Staff, OTP, Department)

Otter Tail Decision Options – 23-380 July 2nd

Decision Option 1 – support

DO 2 – Support

DO 3 amended - Direct Otter Tail to submit in its next IDP its process for NWA analysis.

DO 4 – Support

DO 5 amended – Direct Otter Tail to include in its 2025 IDP an update on the Morris, Minnesota impact study.

DO 6 – Support

DO 7 – Oppose

DO 8 – Oppose

DO 9 – Support

DO 10 – Oppose

DO 11 – Support

DO 12 – Support

DO 13 – Oppose

DO 14 – Support

DO 15 - Support

Department of Commerce Decision Options for Individual Briefing papers for OTP

OTTER TAIL POWER (OTP) IDP E017/M-23-380	DOC POSITION
1. Accept Otter Tail Power's 2023 IDP Report as in compliance with IDP reporting requirements. Acceptance of the 2023 IDP has no bearing on prudency nor certification under Minn. Stat. § 216B.2425, subd. 3.	Support.
Modification for Future IDP 2. Direct Otter Tail to file a cost-benefit analysis for DRMS in a supplemental filing, to be provided within 180 days of the Commission's final Order in this proceeding.	Support.
Modification for Future IDP 3. Direct Otter Tail to submit a supplemental filing, to be provided within 180 days of the Commission's final Order in this proceeding, with a detailed description of its process for NWA analysis.	Support.
Modification for Future IDP 4. Direct Otter Tail to provide in its 2025 IDP an update on the Morris Flow Battery project.	Support.
Modification for Future IDP 5. Direct Otter Tail to include in its 2025 IDP an update on the Morris, Minnesota impact study and identify the specific investments included in its budget to mitigate risks identified in the study.	Support.
Modification for Future IDP 6. Revise the IDP filing requirements to identify the sub-sections establishing the requirements for Non-Wires (Non-Traditional) Alternatives Analysis and the TEP as sections 3.E and 3.F, respectively.	Support.
Modification for Future IDP 7. Direct Otter Tail Power to develop a suite of metrics to track resiliency, including SAIDI with MEDs and SAIFI with MEDs, and other metrics to the extent warranted in its 2025 IDP.	Support.
Modification for Future IDP Options 7 and 8 are and/or 8. Direct Otter Tail Power to provide a proposal for measuring the capacity, reliability, ratepayer impacts, and equity impacts of its distribution grid investments in its next IDP. This proposal shall specifically address the level of granularity at which Otter Tail Power will evaluate these impacts for each budget category, indicating for each category whether Otter Tail Power plans to measure these impacts at the level of the budget category, program, project, or at some other level of resolution, or not at all, and specifically accounting for the impact of any expected changes to IDP budget categories.	Oppose. See explanation below in staff alternative decision option below

Department of Commerce Decision Options for Individual Briefing papers for OTP

<p>Modification for Future IDP Option 9 is alternative to 7/8.</p> <p>9. Delegate authority to the Executive Secretary work with Otter Tail Power and stakeholders to discuss metrics reported across distribution dockets and delegate authority to the Executive Secretary to approve via notice a stakeholder agreement on metrics reporting if one is reached. At minimum, the proposal and metrics shall include the following components:</p> <ul style="list-style-type: none"> a. Reliability metrics such as SAIDI, SAIFI, CAIDI, CEMI, and CELI, b. Distribution spending by IDP budget categories, c. Whether there is available hosting capacity for generation or load at the primary system level, d. Demographic data including race and income, e. Installed DERs, ECO rebates, DR customers enrolled in programs, f. Metrics reported at a feeder and/or census block group. 	<p>Support.</p> <p>The Department appreciates the opportunity to revise the reporting requirements of all IDPs ahead of the next filing, which is an advantage over our initial proposal. We suggest that the stakeholder process includes all four rate-regulated utilities.</p>
<p>Modification for Future IDP</p> <p>10. Order Otter Tail Power to file a supplemental filing within [180 days] of the Commission’s Order in this docket that proposes a plan to accelerate beneficial electrification for its customers, including a discussion of how to incentivize dual fuel adoption for space heating and electrification of water heating, and provide forecasts of expected grid impacts of the same.</p>	<p>Support.</p>
<p>Modification for Future IDP</p> <p>11. Delegate authority to the Executive Secretary to work with Otter Tail Power, the Department, and stakeholders to modify the IDP filing requirements to include discussions of the impacts of electrification where appropriate. Delegate authority to the Executive Secretary approve via notice a stakeholder agreement on amended filing requirements if one is reached.</p>	<p>Oppose.</p>
<p>Modification for Future IDP</p> <p>12. Delegate authority to the Executive Secretary to work with Otter Tail Power and stakeholders on ways to modify the IDP budget categories to allow for comparisons between utilities and comparison of historic to forecasted data. Delegate authority to the Executive Secretary to approve via notice a stakeholder agreement on amended filing requirements if one is reached.</p>	<p>Oppose.</p>
<p>Modification for Future IDP</p> <p>13. Modify Otter Tail Power’s IDP filing requirements to amend requirement 3.A.26, 3.A.28, and 3.A.29 to remove the requirement that financial information be reported in IDP-specific categories as follows: <u>3.A.26</u> Historical distribution system spending for the past 5 years. Information shall be reflected in categories consistent with the Company’s cost recovery proceedings. For each category, provide a description of what items and investments are included. <u>3.A.28</u> Projected distribution system spending for 5 years into the future in categories consistent with the Company’s cost recovery proceedings.</p>	<p>Support.</p> <p>The Department would support including the IDP-specific budget categories in the 2025 IDP, along with the categories of the Company’s cost recovery proceedings, to address the concerns raised by Staff prompting DO 12.</p>
<p>TEP Decision Option</p> <p>14. Approve OTP’s 2023 TEP.</p>	<p>Support.</p>

Department of Commerce Decision Options for Individual Briefing papers for OTP

TEP Decision Option	Support.
15. Require OTP to file its next TEP by 11-1-2025	This DO is consistent with what was ordered in Xcel's TEP.

GRID EQUITY COMMENTERS' POSITIONS ON DECISION OPTIONS

1. No position
2. No position
3. No position
4. No position
5. No position
6. No position
7. No position
8. No position
9. No position
10. Support (second choice). While the GECs support Staff's compromise solution in DO 11 below, if the Commission chooses not to adopt it, we would support this DO 10 in order to ensure that beneficial electrification, including specifically adoption of heat pumps, is addressed within the IDP.
11. Support (first choice). The GECs appreciate Staff's analysis and efforts to find a compromise solution that promotes more explicit discussion of how utilities are planning for electrification impacts in load forecasts and system planning. We agree that the path captured in this decision option is a reasonable approach at this time.
12. Support. The GECs did not comment on this issue, however we agree with Staff's analysis, particularly with respect to the importance of being able to compare across utilities and to compare IDPs over time, and support their proposed path for finding the best solution to enable these comparisons going forward.
13. Oppose.
14. No position.
15. No position.