



# Otter Tail Power Issues



- 1) Fee Structure for Micro Generators (<40kW)
- 2) Aggregation of Small Generators

# Cost/REC Under Current Fee Structure

<b>Table 1: Cost/REC Under Current Fee Structure for Micro Generators</b>			
<b>Generator Nameplate Capacity</b>	<b>Annual Subscription</b>	<b>Estimated Cost/REC (assuming 100% capacity factor)</b>	<b>Estimated Cost/REC (assuming capacity factor of 29% for small wind)</b>
40 kW	\$100.00	\$0.29	\$0.98
30 kW	\$100.00	\$0.38	\$1.31
20 kW	\$100.00	\$0.57	\$1.97
10 kW	\$100.00	\$1.14	\$3.94
5 kW	\$100.00	\$2.28	\$7.87
3 kW	\$100.00	\$3.81	\$13.12
1 kW	\$100.00	\$11.41	\$39.36

# Recommendation

## Current Fee Structure:

\$100/<40kW

## Proposed Fee Structure:

Fixed at \$2.50/kW for  
<40 kW nameplate  
capacity.

# Cost/REC under New Fee Structure

**Table 2: Cost/REC Under Proposed Fee Structure for Micro Generators**

<b>Generator Nameplate Capacity</b>	<b>Annual Subscription</b>	<b>Estimated Cost/REC (assuming 100% capacity factor)</b>	<b>Cost/REC (assuming capacity factor of 29% for small wind)</b>
40 kW	\$100.00	\$0.29	\$0.98
30 kW	\$75.00	\$0.29	\$0.98
20 kW	\$50.00	\$0.29	\$0.98
10 kW	\$25.00	\$0.29	\$0.98
5 kW	\$12.50	\$0.29	\$0.98
3 kW	\$7.50	\$0.29	\$0.98
1 kW	\$2.50	\$0.29	\$0.98

# Aggregation of Small Generators

Currently, the Operating Procedures states in footnote 4 on page 11,  
*“For aggregators of small ( $\sim < 150$  kW) units, M-RETS will allow aggregation as long as the State/Provincial program allows for aggregation...”*

Loophole?

Why not aggregate all units under 150 kW?

# Recommendation

## Clarify:

- technology or fuel type
- size requirements
- aggregate limit
- geographical location constraints
- regulatory requirements
- the fee structure associated with aggregation