

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Petition to modify ) DOCKET NO. 930525-EG  
conservation research and ) ORDER NO. PSC-93-1018-FOF-EG  
development expenditure caps by ) ISSUED: July 12, 1993  
Florida Power and Light Company. )  
\_\_\_\_\_)

The following Commissioners participated in the disposition of this matter:

J. TERRY DEASON, Chairman  
THOMAS M. BEARD  
SUSAN F. CLARK  
JULIA L. JOHNSON  
LUIS J. LAUREDO

NOTICE OF PROPOSED AGENCY ACTION

ORDER MODIFYING FLORIDA POWER AND LIGHT COMPANY'S  
CONSERVATION RESEARCH AND DEVELOPMENT EXPENDITURE CAPS

BY THE COMMISSION:

NOTICE IS HEREBY GIVEN by the Florida Public Service Commission that the action discussed herein is preliminary in nature and will become final unless a person whose interests are adversely affected files a petition for a formal proceeding, pursuant to Rule 25-22.029, Florida Administrative Code.

On February 12, 1990, Florida Power and Light Company (FPL) filed its "Demand Side Management Plan for the 90's" (DSM90), which contained existing and proposed conservation programs. Included in DSM90 was the Conservation Research and Development (CRD) Program, which served as an umbrella program for the research and development of conservation technologies. The Commission approved DSM90, including the CRD program, in Order No. 23560, issued October 2, 1990. The CRD program was approved for a three-year period from 1990 through 1992, with annual caps on program expenditures.

In July, 1992, FPL petitioned the Commission to extend the CRD program for an additional three years, for the period October, 1992 through September, 1995. In Order No. PSC-92-1115-FOF-EG, issued October 5, 1992, the Commission extended FPL's CRD program for three years and set an annual expenditure cap of \$800,000 per year, with total expenditures not to exceed \$2,400,000 over the three-year period.

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FPL-REGISTRATION/REPORTING

FPL has requested Commission approval to increase the CRD Program's expenditure cap from \$800,000 to \$1,200,000 for the one-year period from October, 1992 through September, 1993. FPL has requested modification of the expenditure cap because of the large number of conservation program and research project filings pending since October 1, 1992. FPL will exceed the expenditure cap for this year primarily due to development costs charged to the CRD program for separate conservation programs which have since been approved by the Commission:

| <u>Program</u>                         | <u>Docket No.</u> |
|--|-------------------|
| Efficient Motors                       | 920578-EG         |
| C/I Efficient Lighting                 | 921085-EG         |
| Business Custom Incentives             | 921100-EG         |
| New Home Construction Research Project | 921034-EG         |
| C/I Dehumidification Research Project  | 930166-EG         |

FPL has not requested to exceed the annual cap of \$800,000 in either of the remaining years or the three-year cap of \$2,400,000. This will allow FPL the flexibility to spend up to \$800,000 in one of the other two years (and \$400,000 in the other) or offset the first year's \$400,000 increase by reducing expenditures in both of the remaining years.

We believe that increasing the expenditure cap by \$400,000 will have a negligible impact on FPL's Energy Conservation Cost Recovery (ECCR) factor. If FPL spends the entire additional \$400,000 during the current six-month period, the ECCR factor will increase no more than .001 cents/kWh. We also find that the small increase is reasonable, considering that the reduction in the expenditure cap in one or both of the future years will decrease the ECCR factor by an equivalent amount in those future periods.

When the Commission reviews conservation programs, it considers three criteria: whether the program advances the policy objectives of Rule 25-17.001, Florida Administrative Code, and Sections 366.80-.85, Florida Statutes, also known as the "Florida Energy Efficiency and Conservation Act" (FEECA); whether the program is directly monitorable and yields measurable results; and whether the program is cost-effective. However, it is difficult to quantify the demand or energy reductions and determine the cost-effectiveness of the CRD Program because it is a research program. Nonetheless, we find that the program meets

the policy objectives of the rule and FEECA because it accelerates the development of new demand-side management measures. Furthermore, Rule 25-17.001 directs utilities to "[a]ggressively pursue research, development and demonstration projects jointly with others as well as individual projects...."

We approve FPL's request to modify the spending caps on its CRD program to 1) increase the cap from \$800,000 to \$1,200,000 for the one-year period from October 1, 1992 through September 30, 1993; 2) retain the \$800,000 cap for each year of the period from October 1, 1993 through September 30, 1994 and October 1, 1994 through September 30, 1995; and 3) retain the \$2,400,000 cap for the three-year period ending September 30, 1995.

Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that the petition by Florida Power and Light Company to modify its conservation research and development expenditure caps is hereby granted as discussed within the text of this Order. It is further

ORDERED that this Order shall become final and this docket shall be closed unless an appropriate petition for formal proceeding is received by the Division of Records and Reporting, 101 East Gaines Street, Tallahassee, Florida 32399-0870, by the close of business on the date indicated in the Notice of Further Proceedings or Judicial Review.

By ORDER of the Florida Public Service Commission this 12th day of July, 1993.

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STEVE TRIBBLE, Director  
Division of Records and Reporting

( S E A L )

by: Kay J. [Signature]  
Chief, Bureau of Records

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STEVE TRIBBLE, Director  
Division of Records and Reporting

( S E A L )

by: Kay Jernigan  
Chief, Bureau of Records

NOTICE OF FURTHER PROCEEDINGS OR JUDICIAL REVIEW

The Florida Public Service Commission is required by Section 120.59(4), Florida Statutes, to notify parties of any administrative hearing or judicial review of Commission orders that is available under Sections 120.57 or 120.68, Florida Statutes, as well as the procedures and time limits that apply. This notice should not be construed to mean all requests for an administrative hearing or judicial review will be granted or result in the relief sought.

The action proposed herein is preliminary in nature and will not become effective or final, except as provided by Rule 25-22.029, Florida Administrative Code. Any person whose substantial interests are affected by the action proposed by this order may file a petition for a formal proceeding, as provided by Rule 25-22.029(4), Florida Administrative Code, in the form provided by Rule 25-22.036(7)(a) and (f), Florida Administrative Code. This petition must be received by the Director, Division of Records and Reporting at his office at 101 East Gaines Street, Tallahassee, Florida 32399-0870, by the close of business on August 2, 1993.

In the absence of such a petition, this order shall become effective on the day subsequent to the above date as provided by Rule 25-22.029(6), Florida Administrative Code.

Any objection or protest filed in this docket before the issuance date of this order is considered abandoned unless it satisfies the foregoing conditions and is renewed within the specified protest period.

If this order becomes final and effective on the date described above, any party adversely affected may request judicial review by the Florida Supreme Court in the case of an electric, gas or telephone utility or by the First District Court of Appeal in the case of a water or wastewater utility by filing a notice of appeal with the Director, Division of Records and Reporting and filing a copy of the notice of appeal and the filing fee with the appropriate court. This filing must be completed within thirty (30) days of the effective date of this order, pursuant to Rule 9.110, Florida Rules of Appellate Procedure. The notice of appeal must be in the form specified in Rule 9.900(a), Florida Rules of Appellate Procedure.