BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

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In re: Request to opt-out of cost
recovery for investor-owned electric
utility energy efficiency programs
by Wal-Mart Stores East, LP and
Sam's East, Inc. and Florida
Industrial Power Users Group.
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Docket No. 140226-EI

Filed: June 22, 2015

THE FLORIDA INDUSTRIAL POWER USERES GROUP <u>PREHEARING STATEMENT</u>

The Florida Industrial Power Users Group (FIPUG), pursuant to Commission Order No.

PSC-15-0149-PCO-EI, issued on April 1, 2015, hereby files its Prehearing Statement.

A. APPEARANCES

JON MOYLE, JR. VICKI GORDON KAUFMAN KAREN A. PUTNAL Moyle Law Firm, P.A. 118 North Gadsden Street Tallahassee, FL 32301

Attorneys for the Florida Industrial Power Users Group

B. WITNESSES AND EXHIBITS

FIPUG will call the following witnesses, who will address the issues indicated next to

each witness's name, and who will sponsor the exhibits listed below.

Witness	Issues
Jeffry Pollock	1,2,3

Exhibits

А	Qualifications of Jeffry Pollock
В	Testimony Filed in Regulatory Proceedings
JP-1	Policy Survey

JP-2 Duke Energy Sample Form Lette	JP-2	Duke Energy Sample Form Letter
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JP-3 EPA 2030 Goal Calculation

JP-4 EPA Florida EE Goal

C. FIPUG'S STATEMENT OF BASIC POSITION

This Commission should approve a program in which eligible customers can opt out of utility energy efficiency programs when spending their own resources on energy efficiency measures, as requested by FIPUG and Wal-Mart in this docket. The majority of state Commissions have pursued some type of energy efficiency opt out program, and this Commission should do likewise.

FIPUG members value energy efficiency measures and know best the operations of their respective business processes. As proposed by FIPUG, the opt-out program would be revenue neutral and not result in cost shifting among rate classes. The additional energy efficiency gains resulting from the opt out program would be counted toward satisfying Commission-approved goals for the utilities. These gains would enable utilities to adjust utility programs downward so that the costs of the utility energy efficiency programs are not increased.

A properly implemented opt out program is a win-win proposition. Eligible customers pursue energy efficiency measures at their own expense, benefit by investing in energy efficiency measures best-suited to serve the particular needs of their respective businesses, and are not forced to also pay for utility-specific energy efficiency programs that may not fit or be attractive. The state benefits since its energy efficiency policy is advanced when eligible opt-out customers install cost-effective energy efficiency equipment and invest in additional energy efficiency measures using their own fiscal resources. The utilities benefit when opt out eligible customers invest in energy efficiency measures that are counted to help meet utility goals at no additional costs to the utility or its ratepayers. (The additional energy efficiency resulting from customers opting out should reduce the utilities' programs so that the net effect of the opt out program is revenue neutral; no costs are shifted to non-participating ratepayers). The ratepayers benefit by additional energy efficiency measures being in place at no significant costs to them.

The Commission should pursue an opt out program as suggested by FIPUG and Wal-Mart.

D. FIPUG'S STATEMENT OF ISSUES AND POSITIONS

FIPUG provides this statement of positions on the issues set forth in Order No. PSC-15-

0149-PCO-EI, issued April 1, 2015, in accordance with Section III of the Order Establishing

Procedure.

<u>ISSUE 1</u>: Should the Commission require the utilities to separate their Energy Conservation Cost Recovery expenditures into two categories, one for Energy Efficiency programs and the other for Demand Side Management programs?

<u>FIPUG'S POSITION</u>:

Yes, the Commission should take appropriate administrative steps, as Commissions across the country have, to implement an opt-out program in Florida.

ISSUE 2: Should the Commission allow pro-active non-residential customers who implement their own energy efficiency programs and meet certain other criteria to opt out of the utility's Energy Efficiency programs and not be required to pay the cost recovery charges for the utility's Energy Efficiency programs approved by the Commission pursuant to Section 366.82, Florida Statutes?

FIPUG'S POSITION:

Yes. Eligible customers should be allowed to pursue energy efficiency measures at their own expense and not be forced to also pay for utility-specific energy efficiency programs. A properly structured opt-out program is a win-win proposition. The state benefits and its energy efficiency policy is advanced when eligible opt-out customers invest in additional energy efficiency measures with their own resources. The eligible customers benefit by investing in energy efficiency measures best-suited to serve the particular needs of their respective businesses, and not being forced into utility programs that may not fit or be attractive. The utilities benefit when opt out eligible customers invest in energy efficiency measures that are counted to help meet utility goals, again at no additional costs to the utility or its ratepayers. (The additional energy efficiency resulting from customers opting out should reduce the utilities' programs so that the net effect of the opt out program is revenue neutral; no costs are shifted to nonparticipating ratepayers). The ratepayers benefit by additional energy efficiency measures being in place at no costs to them.

ISSUE 3: If the Commission allows pro-active customers to opt out of participating in, and paying for, a utility's Energy Efficiency's programs, what criteria should the Commission apply in determining whether customers who wish to opt out are eligible to do so.

<u>FIPUG'S POSITION</u>:

The eligibility criteria should be as set forth by FIPUG expert witness Jeff Pollock in his pre-filed testimony.

E. STIPULATED ISSUES

None at this time.

F. PENDING MOTIONS OR OTHER MATTERS

None at this time.

G. FIPUG'S REQUESTS FOR CONFIDENTIAL CLASSIFICATION

None at this time.

H. REQUIREMENTS OF PREHEARING ORDER

FIPUG is able to comply with the Prehearing Order.

I. OBJECTIONS TO WITNESSES' QUALIFICATIONS

None.

Respectfully submitted this 22nd day of June, 2015.

/s/Jon C. Moyle

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CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing has been furnished by electronic mail this <u>22nd</u> day of June 2015, to the following:

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