BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Petition by Duke Energy Florida, LLC, for Approval of Modifications to the Approved Standby Generation Tariff and Program Participation Standards	Docket No. _____ Submitted for filing: April 19, 2016

PETITION FOR APPROVAL OF MODIFICATIONS TO DUKE ENERGY FLORIDA, LLC'S STAND-BY GENERATION TARIFF AND PROGRAM PARTICIPATION STANDARDS

Pursuant to Rules 25-17.015(4) and 25-9.004(2), F.A.C., Duke Energy Florida, LLC ("DEF" or "the Company"), respectfully petitions the Florida Public Service Commission ("PSC" or "the Commission") for approval of modifications to DEF's Standby Generation tariff, specifically GSLM-2, and to the Standby Generation Program Standards. Modifications to the Standby Generation tariff and the Program Standards are needed given new environmental emission standards that become effective May 1, 2016.

The modified Standby Generation tariff, Section No. VI, Ninth Revised Sheet No. 6.225, and Fourth Revised Sheet 6.226, are attached hereto in standard format as Exhibit A and in legislative format as Exhibit B. The modified Standby Generation Program Standards are attached as Exhibit C. In support of this petition, DEF submits the following:

1. DEF is a public utility subject to the regulatory jurisdiction of the Commission pursuant to Chapter 366, F.S. The Company's principal place of business is located at 299 First Avenue North, St. Petersburg, Florida 33701.

2. All notices, pleadings and correspondence required to be served on the petitioner should be directed to:

Dianne M. Triplett
Post Office Box 14042
St. Petersburg, FL 33733-4692
(727) 820-4692

Matthew R. Bernier
106 East College Avenue, Suite 800
Tallahassee, FL 32301
(850) 521-1428

3. DEF's proposed modifications are needed to account for new environmental regulations. Specifically, the Environmental Protection Agency ("EPA") enacted 40 CFR Part 63, subpart ZZZZ and 40 CFR part 60 subpart IIII and JJJJ, which require that standby generation equipment be certified RICE NESHAP compliant, but provided that non-compliant equipment could be operated up to 100 hours during emergency demand response conditions. On May 1, 2015, the U.S. Court of Appeals for the District of Columbia Circuit issued a decision vacating the provisions that permit this emergency operation, and then the court stayed the effect of that vacatur until May 1, 2016. Accordingly, on May 1, 2016, customers with standby generation equipment that is not RICE NESHAP compliant will not be allowed to operate their generation equipment for emergency demand response.

4. In compliance with these then-existing environmental regulations, when DEF filed for approval of its DSM program plan and tariffs in Docket Number 150083-EG, DEF created two schedules (Schedule A – Emergency Standby Generation and Schedule B – Non-Emergency Standby Generation). Schedule B was only open to customers whose generation equipment was certified RICE NESHAP compliant. Now that, as of May 1, 2016, there will no longer be an exception to allow for the use of non-compliant generation equipment during emergency situations, DEF must amend its tariff and participation standards to only allow participation by customers with RICE NESHAP compliant generation equipment.

5. To continue participation in the Standby Generation Program and tariff, customers will need to provide certification that their generation equipment meets these environmental standards. To provide customers with a period of time in which to upgrade their equipment, DEF is proposing that customers currently on Schedule A of the GLSM-2 tariff be allowed to stay on

the tariff until December 31, 2016. This grace period will provide customers with time to upgrade their generation equipment. If they do not upgrade their equipment on or before that date, then DEF will remove them from the tariff/program. DEF will send a letter to all affected customers notifying them of the changes in the form of the letter attached as Exhibit D to this petition.

WHEREFORE, for the above-stated reasons, DEF respectfully requests that the Commission grant this petition and:

1) approve the modifications to DEF's Standby Generation GLSM-2 tariff; and
2) allow current customers on Schedule A of the GLSM-2 tariff to remain on the tariff until December 31, 2016 to provide time to bring their generation equipment into compliance with the new EPA rules; and
3) approve the revised program standards for the Standby Generation Program.

Respectfully Submitted,

/s/ Matthew R. Bernier

Dianne M. Triplett
Post Office Box 14042
St. Petersburg, FL 33733-4692
(727) 820-4692
Facsimile: (727) 820-5041
dianne.triplett@duke-energy.com

Matthew R. Bernier
106 East College Avenue, Suite 800
Tallahassee, FL 32301
(850) 521-1428
Facsimile: (727) 820-5041
matthew.bernier@duke-energy.com

EXHIBIT A

GSLM-2 TARIFF MODIFICATIONS
(Clean copy)

Tariff Sheets:
6.225 and 6.226

RATE SCHEDULE GSLM-2
GENERAL SERVICE LOAD MANAGEMENT – STANDBY GENERATION

Availability:

Available only within the range of the Company's radio switch communications capability.

Applicable:

To customers who are eligible for service under Rate Schedules GS-1, GST-1, GSD-1, or GSDT-1 who have standby generation that will allow facility demand reduction at the request of the Company. The customer's Standby Generation Capacity calculation must be at least 50 kW in order to remain eligible for the rate. Customers cannot be on this rate schedule and also the General Service Load Management (GSLM-1) rate schedule. Not applicable to Net Metering customers. Customers cannot use the standby generation for peak shaving. Available only to those customers whose standby generation equipment is certified RICE NESHAP compliant as per current version of EPA 40 CFR Part 63, subpart ZZZZ and 40 CFR part 60 subpart IIII and JJJJ.

Limitation of Service:

Operation of the customer's equipment will occur at the Company's request. Requests by the Company for the customer to reduce facility demand by operation of their standby generation can occur at any time. Power to the facility from the Company will normally remain as back up power for the standby generation. The Customer will be given fifteen (15) minutes to initiate the demand reduction before the capacity calculation (see Definitions) is impacted.

Standby or resale service not permitted hereunder. Service under this rate is subject to the Company's currently effective and filed "General Rules and Regulations for Electric Service."

Rate Per Month:

The rates and all other terms and conditions of Company Rate Schedules GS-1, GST-1, GSD-1 or GSDT-1 (whichever shall otherwise be applicable) shall be applicable to service under this rate schedule, subject to the following:

GSLM-2 MONTHLY CREDIT AMOUNT
STANDBY GENERATION

Credit	Cumulative Fiscal Year Hours
$4.50 x ***C*** + $0.50[1] x kWh monthly	All CRH

Immediately upon going on the rate, the customer's Capacity (***C***) is set to a value equivalent to the load the customer's standby generator carries during testing observed by the Customer and a Company representative. The ***C*** will remain at that value until the equipment is requested to run by the Company. The ***C*** for that month and subsequent months will be a calculated value based upon the following formula:

$$C = \frac{\text{kWh annual}}{[\text{CAH} - (\#\text{ of Requests} \times \tfrac{1}{4}\text{ hour})]}$$

Definitions:

kWh annual = Actual measured kWh generated by the standby generator during the previous twelve (12) months during Company control periods (rolling total).

CAH = Cumulative hours requested by the Company for the standby generation to operate for the previous twelve (12) months (rolling total).

CRH = Cumulative standby generator running hours during request periods of the Company for the current fiscal year (the fiscal year begins on the month the customer goes on the GSLM-2 rate).

# of Requests = The cumulative number of times the Company has requested the standby generation to be operated for the previous twelve (12) months (rolling total).

kWh monthly = Actual measured kWh generated by the standby generator for the current month during Company control periods.

[1] This $ per kWh rate represents an incentive credit to support Customer O&M associated with run time requested by the Company. DEF will periodically review this incentive rate and request changes as deemed appropriate.

(Continued on Page No. 2)

RATE SCHEDULE GSLM-2
GENERAL SERVICE LOAD MANAGEMENT – STANDBY GENERATION
(Continued from Page No. 1)

Special Provisions:

1. The Company shall be allowed reasonable access to the customer's premises to install, maintain, inspect, test and remove the equipment associated with this rate.

2. Prior to the installation of the equipment, the Company may inspect the customer's electrical equipment (including standby generator) to ensure good repair and working condition, but the Company shall not be respons ble for the repair or maintenance of the electrical equipment (including standby generator). The Company may, at its option, require a commercial energy audit as a prerequisite to receiving service under this rate. The audit may be used to establish or confirm equipment capacity, operating hours, or to determine the ability of the Company to control electric demand.

3. Prior to the installation of the equipment, customer must provide the Company with documentation certifying customer's generation equipment is certified RICE NESHAP compliant as per current version of EPA 40 CFR Part 63, subpart ZZZZ and 40 CFR part 60 subpart IIII and JJJJ.

4. If the Company determines that the equipment installed as part of this rate by the Company has been tampered with, the Company may discontinue service under this rate and bill the customer for prior credits received under this rate for that fiscal year.

EXHIBIT B

GSLM-2 TARIFF MODIFICATIONS
(Legislative format)

Tariff Sheets:

6.225 and 6.226

RATE SCHEDULE GSLM-2
GENERAL SERVICE LOAD MANAGEMENT – STANDBY GENERATION

Availability:

Available only within the range of the Company's radio switch communications capability.

Applicable:

To customers who are eligible for service under Rate Schedules GS-1, GST-1, GSD-1, or GSDT-1 who have standby generation that will allow facility demand reduction at the request of the Company. The customer's Standby Generation Capacity calculation must be at least 50 kW in order to remain eligible for the rate. Customers cannot be on this rate schedule and also the General Service Load Management (GSLM-1) rate schedule. Not applicable to Net Metering customers. Customers cannot use the standby generation for peak shaving. ~~Customer has the option to select to participate under Schedule A – Emergency Standby Generation or Schedule B – Non-Emergency Standby Generation based on EPA emissions certification of customer's generation equipment as described below.~~ Available only to those customers whose standby generation equipment is certified RICE NESHAP compliant as per current version of EPA 40 CFR Part 63, subpart ZZZZ and 40 CFR part 60 subpart IIII and JJJJ.

Limitation of Service:

Operation of the customer's equipment will occur at the Company's request. Requests by the Company for the customer to reduce facility demand by operation of their standby generation can occur at any time. Power to the facility from the Company will normally remain as back up power for the standby generation. The Customer will be given fifteen (15) minutes to initiate the demand reduction before the capacity calculation (see Definitions) is impacted.

Standby or resale service not permitted hereunder. Service under this rate is subject to the Company's currently effective and filed "General Rules and Regulations for Electric Service."

Rate Per Month:

The rates and all other terms and conditions of Company Rate Schedules GS-1, GST-1, GSD-1 or GSDT-1 (whichever shall otherwise be applicable) shall be applicable to service under this rate schedule, subject to the following:

GSLM-2 MONTHLY CREDIT AMOUNT
STANDBY GENERATION

	Credit	Cumulative Fiscal Year Hours
~~Schedule A Emergency Standby Generation:~~	~~$4.50 x *C* + $0.05[1] x kWh monthly~~	~~0 ≤ CRH ≤ 100~~
~~Schedule B Non-Emergency Standby Generation:~~	$4.50 x ***C*** + $0.50[1] x kWh monthly	All CRH

Immediately upon going on the rate, the customer's Capacity (***C***) is set to a value equivalent to the load the customer's standby generator carries during testing observed by the Customer and a Company representative. The ***C*** will remain at that value until the equipment is requested to run by the Company. The ***C*** for that month and subsequent months will be a calculated value based upon the following formula:

$$C = \frac{\text{kWh annual}}{[\text{CAH} - (\#\text{ of Requests} \times \tfrac{1}{4}\text{ hour})]}$$

Definitions:

kWh annual = Actual measured kWh generated by the standby generator during the previous twelve (12) months during Company control periods (rolling total).

CAH = Cumulative hours requested by the Company for the standby generation to operate for the previous twelve (12) months (rolling total).

CRH = Cumulative standby generator running hours during request periods of the Company for the current fiscal year (the fiscal year begins on the month the customer goes on the GSLM-2 rate).

# of Requests = The cumulative number of times the Company has requested the standby generation to be operated for the previous twelve (12) months (rolling total).

kWh monthly = Actual measured kWh generated by the standby generator for the current month during Company control periods.

(Continued on Page No. 2)

[1] This $ per kWh rate represents an incentive credit to support Customer O&M associated with run time requested by the Company. DEF will periodically review this incentive rate and request changes as deemed appropriate.

(Continued on Page No. 2)

RATE SCHEDULE GSLM-2
GENERAL SERVICE LOAD MANAGEMENT – STANDBY GENERATION
(Continued from Page No. 1)

~~**Schedules:**~~

~~**Schedule A – Emergency Standby Generation:**~~

~~Requests by the Company for the customer to reduce facility demand by operation of their standby generation can occur at any time during the day. Schedule A – Emergency Standby Generation (except for regional controls up to 50 hours per year as defined in EPA 40 CFR Section 60.4243) will only be requested during an Energy Emergency Alert Level 2 (EEA2) as defined by NERC and will not be operated more than twice each day with the total operation not exceeding twelve (12) hours. Under extreme emergency conditions, the Company may request the Customer to voluntarily operate their standby generation for longer than twelve (12) hours a day.~~

~~**Schedule B – Non Emergency Standby Generation:**~~

~~Available only to those customers whose standby generation equipment is certified RICE NESHAP compliant as per current version of EPA 40 CFR Part 63, subpart ZZZZ and 40 CFR part 60 subpart IIII and JJJJ.~~

~~Customers currently on Schedule A and whose standby generation equipment is certified RICE NESHAP compliant as per current version of EPA 40 CFR Part 63, subpart ZZZZ and 40 CFR part 60 subpart IIII and JJJJ can convert to Schedule B – Non-Emergency Standby Generation. Conversion will be effective on their next regular bill cycle.~~

~~Schedule B – Non-Emergency Standby Generation requests by the Company for the customer to reduce facility demand by operation of their standby generation can occur at any time.~~

Special Provisions:

1. The Company shall be allowed reasonable access to the customer's premises to install, maintain, inspect, test and remove the equipment associated with this rate.

2. Prior to the installation of the equipment, the Company may inspect the customer's electrical equipment (including standby generator) to ensure good repair and working condition, but the Company shall not be responsible for the repair or maintenance of the electrical equipment (including standby generator). The Company may, at its option, require a commercial energy audit as a prerequisite to receiving service under this rate. The audit may be used to establish or confirm equipment capacity, operating hours, or to determine the ability of the Company to control electric demand.

3. Prior to the installation of the equipment ~~for Schedule B or conversion from Schedule A to Schedule B~~, customer must provide the Company with documentation certifying customer's generation equipment is certified RICE NESHAP compliant as per current version of EPA 40 CFR Part 63, subpart ZZZZ and 40 CFR part 60 subpart IIII and JJJJ. ~~The default schedule will be Schedule A.~~

4. If the Company determines that the equipment installed as part of this rate by the Company has been tampered with, the Company may discontinue service under this rate and bill the customer for prior credits received under this rate for that fiscal year.

EXHIBIT C

Revised Standby Program Participation Standards

DUKE ENERGY FLORIDA, LLC
PROGRAM PARTICIPATION STANDARDS
STANDBY GENERATION PROGRAM

1. PROGRAM OVERVIEW

The Standby Generation (SBG) Program of Duke Energy Florida, LLC (DEF) is a load control program designed to reduce DEF's demand based upon control of customer equipment. The program is voluntary and is available to business customers who have on-site generation capability and are willing to reduce their facility demand at the request of the company. The program is offered through the General Service Load Management-2 (GSLM-2) rate schedule.

2. ELIGIBILITY REQUIREMENTS

1. Customer must be eligible for service under the GS-1, GST-1, GSD-1 or GSDT-1 rate schedule.

2. The SBG meter must be accessible by DEF for the purposes of reading, inspecting and maintaining the standby generation metering equipment.

2.1 PARTICIPATION REQUIREMENTS

1. Customer must have standby generation that will reduce utility system demand at the request of DEF.

2. Customer stand-by generation capacity must be at least 50 KW.

3. Customer must be within the range of the Company’s radio switch communications capability.

2.2 EQUIPMENT AND INSTALLATION SPECIFICATIONS

1. All installations must comply with all provisions of the National Electric Code (NEC) and any code or requirement of other authorities having jurisdiction.

2. Where necessary, the engineering for the metering and monitoring module installation will be done by a registered Florida engineer. The physical installation

will be done by a licensed Florida electrical contractor selected by DEF. Appropriate permits will be secured for each installation by the contractor.

2.3 CONTRACTOR REQUIREMENTS

1. The contractor shall comply with all Load Management Standards as specified by the DEF Energy Management Department and stated in the most current copy of the Energy Management Operations Manual.

2. Contractors participating in the installation of metering and communications modules on the customer's equipment must meet the financial criteria set forth in the DEF Materials and Contracts Department policies and procedures.

3. The contractor must comply with all Federal, State and local codes and regulations.

4. Contractors are responsible for the work to be performed, the use of the contractor's own equipment and the supervision of employees in order to meet the work specifications and the required completion date.

5. Contractor shall indemnify and hold DEF harmless against any and all injuries, damages, claims or costs whatsoever caused by items furnished or services rendered.

6. Contractors will be insured as specified in the terms and conditions of their contract with DEF.

7. DEF reserves the right to request background checks of contractors working with the Standby Generation Program.

3. TECHNICAL SPECIFICATIONS ON EQUIPMENT ELIGIBILITY

1. Prior to receipt of service under the GSLM-2 tariff, customers must provide documentation certifying that the customer's generation equipment is RICE NESHAP compliant as per the current version of EPA 40 CFR Part 63, subpart ZZZZ and 40 CFR part 60, subpart IIII and JJJJ.

2. Customers are responsible for ensuring that equipment remains compliant with all applicable codes and standards and environmental requirements.

4. INCENTIVES

Program Participants will receive an incentive in the form of billing credits in accordance

with the provisions of the GSLM-2 tariff.

5. INCENTIVE PROCESSING

The initial readings will be recorded at the time of system testing, and the customer will receive an incentive on their bill each month thereafter according to the incentive calculation in the GSLM-2 tariff.

6. REPORTING REQUIREMENTS

The reporting requirements for this program will follow Rule 25-17.0021(5), Florida Administrative Code.

EXHIBIT D

Form Letter to Customers

RATE SCHEDULE GSLM-2
GENERAL SERVICE LOAD MANAGEMENT – STANDBY GENERATION
SCHEDULE A – Emergency Standby Generation Will Close
SCHEDULE B – Non-Emergency Generation Remains Available

Effective May 1, 2016, revised EPA regulations require owners of generators using stationary Reciprocating Internal Combustion Engines (RICE) to comply with new National Emission Standards for Hazardous Air Pollutants (NESHAP). These new rules impact generators participating in utility-sponsored demand side management programs. Consequently, your generation equipment may or may not be eligible to continue participating in the Duke Energy Florida (DEF) GSLM-2 rate schedule.

The U.S. Court of Appeals for the District of Columbia Circuit vacated the provisions of the National Emissions Standards 40 C.F.R. § 63.6640(f)(2)(ii)-(iii), and the Performance Standards, 40 C.F.R. §§ 60.4211(f)(2)(ii)-(iii), 60.4243(d)(2)(ii)-(iii). On August 15, 2015, the Court stayed the vacatur until May 1, 2016. Absent further action by the EPA, the vacatur by the U.S. Court of Appeals means that effective May 1, 2016, DEF will no longer be able to dispatch generators that are not compliant with RICE NESHAP. Therefore, DEF is notifying its customers that it will file a petition with the Florida Public Service Commission (FPSC) requesting approval to close the Schedule A - Emergency Standby Generation portion of the GSLM-2 rate schedule effective December 31, 2016. These program modifications are contingent on FPSC approval.

Customers who attest that their standby generation equipment is compliant with all applicable codes and standards and environmental requirements are eligible to move to Schedule B - Non-Emergency Standby Generation part of the GSLM-2 rate schedule, and will receive bill credits pursuant to the provisions of Schedule B. The bill credits for capacity are the same under Schedule B as they are under Schedule A. The only difference in the credits is that Schedule B provides a credit of $.50 per kwh for actual run hours compared to $.05 per kwh under Schedule A.

Customers will be required to complete and sign an enrollment form for Schedule B attesting that their generation equipment is compliant with all applicable regulations. Customers whose generation equipment does not meet all applicable requirements will no longer be eligible to participate in the Standby Generation Program and will no longer receive bill credits under the GSLM-2 rate schedule.

DEF requests that you carefully evaluate your specific circumstances with respect to your generation equipment and the revised EPA regulations. Based on your compliance/non-compliance status and any future plans for your generation equipment,

please review and complete page 3 of this document and return the completed form to your DEF Large Account Manager (LAM) no later than May 31, 2016.
Page 3 of this document will serve as notification of your intent regarding future participation in the Standby Generation Program.

Contingent upon FPSC approval, effective with the first billing cycle of January 2017, load management credits under Schedule A - Emergency Standby Generation of the GSLM-2 rate schedule will be discontinued.

For your convenience, the table below illustrates estimated load management credits for participation in the GSLM-2 Schedule B - Non-Emergency Standby Generation Program.

GSLM-2 Rate SCHEDULE B	kW at 60% Load Factor	Test Run ENERGY	Capacity Credit per month at $4.50	Energy Credits per year	BILL CREDITS ANNUAL	Avoided kWh @ $0.11/kWh	Duke Energy Gross Credits	Test Run Hours per year	Test Gallons Used	Customer Purchased Fuel	Annual Net Reduction
Generator KW	60%	$ 0.50	$4.50	Annual ($)		$528.00		8	0.085	$2.99	Realized
250	150	$ 75.00	$771.43	$ 600.00	$9,857.14	$ 132.00	$9,989.14	8	102	($304.98)	$9,684.16
500	300	$ 150.00	$1,542.86	$1,200.00	$19,714.29	$ 264.00	$19,978.29	8	204	($609.96)	$19,368.33
750	450	$ 225.00	$2,314.29	$1,800.00	$29,571.43	$ 396.00	$29,967.43	8	306	($914.94)	$29,052.49
1000	600	$ 300.00	$3,085.71	$2,400.00	$39,428.57	$ 528.00	$39,956.57	8	408	($1,219.92)	$38,736.65
1500	900	$ 450.00	$4,628.57	$3,600.00	$59,142.86	$ 792.00	$59,934.86	8	612	($1,829.88)	$58,104.98
2000	1200	$ 600.00	$6,171.43	$4,800.00	$78,857.14	$1,056.00	$79,913.14	8	816	($2,439.84)	$77,473.30
2500	1500	$12,000.00	$7,714.29	$6,000.00	$98,571.43	$1,320.00	$99,891.43	8	1020	($3,049.80)	$96,841.63

NOTICE OF INTENTIONS REGARDING STANDBY GENERATION

Customer Name: _____

Account Number: _____

Generator(s) Name/Identifier:* _____

_____

_____

☐ I attest that the Standby Generation equipment listed above meets the RICE NESHAP compliance. I understand that this account will be moved to Non-Emergency Schedule B of the GSLM-2 rate schedule effective with the first billing cycle after DEF's receipt of this attestation.

☐ I do not plan to upgrade the Standby Generation equipment to RICE NESHAP compliance. I understand that, contingent upon FPSC approval, effective with the first billing cycle of January 2017, these accounts will no longer be eligible for credits under the GSLM-2 rate schedule.

☐ I intend to upgrade the Standby Generation equipment listed above to RICE NESHAP compliance, and plan to participate in the GSLM-2 Schedule B Non-Emergency Standby Generation Program and will attest to that compliance prior to December 31, 2016.

** A separate attestation form is required for each generator when compliant and non-compliant generators are served on the same DEF account.*

Signature _____

Date _____

Title _____