

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition for approval of ENERGY STAR
program for new multi-family residences, by
Tampa Electric Company.

DOCKET NO. 170014-EI
ORDER NO. PSC-17-0207-PAA-EI
ISSUED: May 24, 2017

The following Commissioners participated in the disposition of this matter:

JULIE I. BROWN, Chairman
ART GRAHAM
RONALD A. BRISÉ
JIMMY PATRONIS
DONALD J. POLMANN

NOTICE OF PROPOSED AGENCY ACTION
ORDER APPROVING TAMPA ELECTRIC COMPANY'S
ENERGY STAR PROGRAM FOR NEW MULTI-FAMILY RESIDENCES

BY THE COMMISSION:

NOTICE is hereby given by the Florida Public Service Commission (Commission) that the action discussed herein is preliminary in nature and will become final unless a person whose interests are substantially affected files a petition for a formal proceeding, pursuant to Rule 25-22.029, Florida Administrative Code (F.A.C.).

BACKGROUND

On August 11, 2015, we approved Tampa Electric Company's (TECO or Utility) Demand-Side Management (DSM) Plan.¹ The plan included TECO's ENERGY STAR Program for New Homes (New Homes Program) by which, the Utility offers an \$850 rebate to encourage builders to construct new single-family homes that meet ENERGY STAR certification requirements. By meeting the ENERGY STAR requirements, the new home uses less energy which helps reduce the growth of TECO's peak demand. The New Homes Program began in November 2015. In 2016, the New Homes Program produced savings of 1,059,239 kWh at the generator and contributed towards TECO's conservation goals set by this Commission.

On January 10, 2017, TECO petitioned this Commission for approval of an ENERGY STAR Program for New Multi-Family Residences (Multi-Family Program). By the Multi-Family Program the Utility proposes to offer a \$325 rebate to builders of new multi-family residences in order to encourage construction of multi-family residences that meet the ENERGY STAR

¹ Order No. PSC-15-0323-PAA-EG, issued August 11, 2015, in Docket No. 150081-EG, *In re: Petition for Approval of Demand-Side Management Plan of Tampa Electric Company*.

requirements. By meeting these requirements, the new residences will use less energy, thereby helping to reduce the growth of TECO's peak demand and helping future tenants to save on their electric bills.

We have jurisdiction over this matter pursuant to Sections 366.80 through 366.83 and 403.519, Florida Statutes (F.S.), collectively known as the Florida Energy Efficiency and Conservation Act (FEECA).

REVIEW

The criteria used to review the appropriateness of DSM programs are: (1) whether the program advances the policy objectives of FEECA and its implementing rules; (2) whether the program is directly monitorable and yields measurable results; and (3) whether the program is cost-effective.²

Program Description

By its petition, TECO seeks approval of a new residential conservation program to offer rebates to the builders of new multi-family residential units as an incentive to meet ENERGY STAR standards. The Program Participation Standards were submitted concurrently with the proposed Multi-Family Program description.

TECO asserts that this program will be cost-effective if the rebate is set at \$325 for each multi-family unit that receives the ENERGY STAR Apartments and Condominiums certification. Similar to the New Homes Program, this residential new construction conservation program is designed to reduce the growth of peak demand and energy. As shown in the table below, the Utility estimates that the annual number of program participants, for the period 2017 through 2024 will range from 600 through 1,000.

Estimated Program Participation

Year	Total Number of Customers	Total Number of Eligible Customers	Annual Number of Program Participants	Cumulative Number of Program Participants
2017	201,074	3,820	600	600
2018	204,894	3,893	600	1,200
2019	208,787	3,967	800	2,000
2020	212,754	4,042	800	2,800
2021	216,797	4,119	800	3,600
2022	220,916	4,197	1,000	4,600
2023	225,113	4,277	1,000	5,600
2024	229,390	4,358	1,000	6,600

²See e.g., Order No. PSC-15-0323-PAA-EG, issued August 11, 2015, in Docket No. 150081-EG, *In re: Petition for approval of Demand-Side Management Plan of Tampa Electric Company*, p. 2.

To earn the ENERGY STAR certification, a building must meet the qualifications outlined in the ENERGY STAR Multifamily High Rise National Performance Path Requirements. Standards include providing ENERGY STAR certified heating and cooling equipment, building envelope, ventilation and infiltration, domestic water heating, and lighting. ENERGY STAR certified appliances such as refrigerators, dishwashers, ceiling fans, and clothes washers are also included. TECO states that many multi-family residences are being planned for construction in its service area. The Utility asserts that the proposed Multi-Family Program will provide an opportunity for the Utility to reduce its electric peak demand and for residents to save on their electricity bills.

FEECA Objectives

FEECA emphasizes reducing the growth rate of peak demand and reducing and controlling the growth rates of electricity consumption. The Multi-Family Program provides an incentive for builders to build ENERGY STAR compliant multi-family residences. By meeting the ENERGY STAR requirements, the new residences will use less energy which will help reduce the growth of TECO's electric peak demand. Upon review, we find that the Multi-Family Program aligns with FEECA's goal of conservation.

Program Monitoring and Evaluation

TECO will monitor and evaluate its proposed Multi-Family Program consistent with the monitoring and evaluation standards for the New Homes Program approved by Order No. PSC-15-0323-PAA-EG and Commission Rules, such as Rule 25-17.003(10)(b), Florida Administrative Code (F.A.C.). This Rule requires post-audit inspections of 10 percent of each type of energy conservation measure installed as a result of the Multi-Family Program.

To estimate savings, TECO utilized the energy and economic software program EnergyGauge from the University of Central Florida's Solar Energy Center. The estimated savings per customer participant are shown in the table below.

Estimated Program Savings per Participant

Summer Demand (kW)	Winter Demand (kW)	Annual Energy (kWh)
0.361	0.242	1,239

Cost-Effectiveness Review

Pursuant to Rule 25-17.008, F.A.C., TECO provided a cost-effectiveness analysis of the program using the Participant Test, the Rate Impact Measure (RIM) Test, and the Total Resource Cost (TRC) Test. The Participant Test analyzes the cost and benefits from a program participant's point of view. The RIM Test ensures that all ratepayers will benefit from a proposed DSM program, not just the program participants. The TRC Test measures the overall economic

efficiency of a DSM program from a social perspective. Each test measures the ratio of benefit and cost; a program is determined to be cost-effective if that ratio is greater than one. We have reviewed the assumptions associated with TECO's program savings and find that they are reasonable. The results for the proposed Multi-Family Program are: Participant Test: 1.51; RIM Test: 1.01; and TRC Test 0.97. Based on these results, the Multi-Family Program passed the Participant and RIM Tests and failed the TRC Test by a minimal amount. While a higher TRC value would be optimal, the Participant and RIM Tests show that the Utility, participants, and the general body of ratepayers will benefit from the implementation of this program. We find that the program is beneficial in meeting the goals of FEECA.

DECISION

TECO's proposed Multi-Family Program advances the policy objectives of FEECA and its implementing rules. The program is directly monitorable, yields measurable results, and is cost-effective. Upon review, we shall grant TECO's petition for approval of its ENERGY STAR Program for New Multi-Family Residences.

The Program Participation Standards were submitted concurrently with the proposed Multi-Family Program description. We have reviewed these standards and find that they are sufficient. Therefore, costs associated with the Multi-Family Program shall be eligible for cost recovery through TECO's Energy Conservation Cost Recovery factor.

Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that Tampa Electric Company's petition for approval of its ENERGY STAR Program for New Multi-Family Residences is hereby granted as set forth in the body of this Order. It is further

ORDERED that costs associated with the Multi-Family Program shall be eligible for cost recovery through TECO's Energy Conservation Cost Recovery factor. It is further

ORDERED that the provisions of this Order, issued as proposed agency action, shall become final and effective upon the issuance of a Consummating Order unless an appropriate petition, in the form provided by Rule 28-106.201, Florida Administrative Code, is received by the Commission Clerk, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, by the close of business on the date set forth in the "Notice of Further Proceedings" attached hereto. It is further

ORDERED that in the event this Order becomes final, this docket shall be closed.

By ORDER of the Florida Public Service Commission this 24th day of May, 2017.



CARLOTTA S. STAUFFER

Commission Clerk

Florida Public Service Commission

2540 Shumard Oak Boulevard

Tallahassee, Florida 32399

(850) 413-6770

www.floridapsc.com

Copies furnished: A copy of this document is provided to the parties of record at the time of issuance and, if applicable, interested persons.

CWM

NOTICE OF FURTHER PROCEEDINGS OR JUDICIAL REVIEW

The Florida Public Service Commission is required by Section 120.569(1), Florida Statutes, to notify parties of any administrative hearing that is available under Section 120.57, 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 will be granted or result in the relief sought.

Mediation may be available on a case-by-case basis. If mediation is conducted, it does not affect a substantially interested person's right to a hearing.

The action proposed herein is preliminary in nature. Any person whose substantial interests are affected by the action proposed by this order may file a petition for a formal proceeding, in the form provided by Rule 28-106.201, Florida Administrative Code. This petition must be received by the Office of Commission Clerk, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, by the close of business on June 14, 2017.

In the absence of such a petition, this order shall become final and effective upon the issuance of a Consummating Order.

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