

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Commission review of numeric conservation goals (Florida Power & Light Company).

DOCKET NO. 20190015-EG

In re: Commission review of numeric conservation goals (Gulf Power Company).

DOCKET NO. 20190016-EG

In re: Commission review of numeric conservation goals (Florida Public Utilities Company).

DOCKET NO. 20190017-EG

In re: Commission review of numeric conservation goals (Duke Energy Florida, LLC).

DOCKET NO. 20190018-EG

In re: Commission review of numeric conservation goals (Orlando Utilities Commission).

DOCKET NO. 20190019-EG

In re: Commission review of numeric conservation goals (JEA).

DOCKET NO. 20190020-EG

In re: Commission review of numeric conservation goals (Tampa Electric Company).

DOCKET NO. 20190021-EG

PREHEARING STATEMENT

The Florida Department of Agriculture and Consumer Services, Office of Energy (FDACS), pursuant to the Order Consolidating Dockets and Establishing Procedure, Order No. PSC-2019-0062-PCO-EG (Order Establishing Procedure), issued on February 18, 2019, in these dockets, hereby submits its Prehearing Statement.

BACKGROUND

Sections 366.80 through 366.85, and 403.519, Florida Statutes (F.S.), are known collectively as the Florida Energy Efficiency and Conservation Act (FEECA). The seven utilities subject to FEECA, collectively known as the FEECA Utilities, are Florida Power & Light

Docket Nos. 20190015-EG, 20190016-EG, 20190017-EG, 20190018-EG,
20190019-EG, 20190020-EG, 20190021-EG

Company (FPL), Duke Energy Florida, LLC (DEF), Tampa Electric Company (TECO), Gulf Power Company (Gulf), Florida Public Utilities Company (FPUC), JEA, and Orlando Utilities Commission (OUC). Pursuant to Section 366.82(6), F.S., the Florida Public Service Commission (Commission) must review the conservation goals of each utility subject to FEECA at least every five years. The Commission last established goals for the FEECA Utilities in 2014.¹

Chapter 377, Florida Statutes, gives broad authority and responsibilities to the Department in administering renewable energy and energy efficiency grants, promoting energy efficiency and conservation programs, and providing educational outreach on energy issues. Pursuant to Section 377.703(2)(i), F.S., FDACS is charged with promoting energy conservation in all energy use sectors throughout the state. As part of its responsibility to promote energy efficiency and conservation, Section 366.82(5), F.S., specifically requires that FDACS be a party to these conservation goal-setting proceedings and file comments with the Commission on the proposed goals, including, but not limited to:

- (a) An evaluation of utility load forecasts, including an assessment of alternative supply-side and demand-side resource options;
- (b) An analysis of various policy options that can be implemented to achieve a least-cost strategy, including nonutility programs targeted at reducing and controlling the per capita use of electricity in the state; and
- (c) An analysis of the impact of state and local building codes and appliance efficiency standards on the need for utility-sponsored conservation and energy efficiency measures and programs.

¹ See, Order No. PSC-14-0696-FOF-EU, issued on December 16, 2014, in Docket Nos.: 130199-EI, In re: Commission review of numeric conservation goals (Florida Power & Light Company); 130200-EI, In re: Commission review of numeric conservation goals (Duke Energy Florida, Inc.); 130201-EI, In re: Commission review of numeric conservation goals (Tampa Electric Company); 130202-EI, In re: Commission review of numeric conservation goals (Gulf Power Company); 130203-EM, In re: Commission review of numeric conservation goals (JEA); 130204-EM, In re: Commission review of numeric conservation goals (Orlando Utilities Commission); and 130205-EI, In re: Commission review of numeric conservation goals (Florida Public Utilities Company).

Pursuant to this statutory directive, FDACS filed its Notice of Intervention in these dockets on April 10, 2019,² and the Commission acknowledged the Intervention on April 23, 2019, by Order No. PSC-2019-0146-PCO-EG.

Florida law mandates that FDACS participate in this proceeding and places FDACS in a unique role of providing comments to the Commission on the proposed goals. As directed by the Legislature, FDACS will continue to evaluate and analyze load forecasts, policy options to achieve a least-cost strategy, and impacts of state and local building codes and appliance efficiency standards within the context of the identified issues. In addition, FDACS will file post-hearing comments based on the evidentiary record developed during this proceeding. The positions stated in this Prehearing Statement are preliminary in nature and are based on information currently available in this proceeding.

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² On April 16, 2019, FDACS filed a corrected Notice of Intervention in Docket No. 20190017-EG.

³ See, Order No. PSC-2019-0133-FOF-OT, issued on April 16, 2019, in Docket No. 20190008-OT, In Re: Applications for qualified representative status.

1. WITNESSES:

The FDACS does not intend to call any witnesses at this time.

2. EXHIBITS:

The FDACS has no direct exhibits at this time. However, FDACS reserves the right to introduce exhibits into the record during cross-examination.

3. STATEMENT OF BASIC POSITION

Pursuant to Section 366.81, F.S., the Legislature finds and declares that it is critical to utilize the most efficient and cost-effective demand-side renewable energy systems and conservation systems in order to protect the health, prosperity, and general welfare of the State and its citizens. Reduction in, and control of, the growth rates of electric consumption and weather-sensitive peak demand are of particular importance. The goal of Florida's energy policy should be to secure a stable, reliable and diverse supply of energy in order to meet the demands of Florida's growing population. An all-of-the-above approach must be employed in order to meet this objective and that includes energy efficiency and conservation measures.

In establishing and setting goals to meet these mandates, the Commission should consider various policy options to achieve a least-cost strategy, employ market-based technologies, and yield greater efficiencies of electric consumption. The effects of non-utility programs that are targeted at reducing and controlling the per capita use of electricity in Florida should be considered, as well as the impact of state and local building codes and appliance efficiency standards. These factors may increase energy efficiency and reduce or control the per capita use of electricity in the State, and thus reduce the level of appropriate goals and need for utility-

sponsored programs. The Commission should balance the importance of pursuing energy efficiency and conservation programs against the cost of the programs and their impact on all ratepayers. Finally, the Commission should continue to encourage the FEECA Utilities to maintain and develop energy efficiency and conservation programs targeted for low-income customers, and continue to educate and assist these customers, which are least able to afford energy efficiency improvements.

4. STATEMENT OF FACTUAL ISSUES AND POSITIONS

ISSUE 1: Are the Company's proposed goals based on an adequate assessment of the full technical potential of all available demand-side and supply-side conservation and efficiency measures, including demand-side renewable energy systems, pursuant to Section 366.82(3), F.S.?

FDACS: The Companies' proposed goals appear to be an adequate assessment of the full technical potential of all available demand-side and supply-side conservation and efficiency measures. However, a thorough examination and analysis of this issue by the Commission is necessary.

ISSUE 2: Do the Company's proposed goals adequately reflect the costs and benefits to customers participating in the measure, pursuant to Section 366.82(3)(a), F.S.?

FDCAS: The Companies' proposed goals appear to adequately reflect the costs and benefits to customers participating in the measures. However, a thorough examination and analysis of this issue by the Commission is necessary. The Commission should consider policy options that can be implemented to achieve least-cost strategies that take into account the costs and benefits of the programs and their impact on all ratepayers.

ISSUE 3: Do the Company's proposed goals adequately reflect the costs and benefits to the general body of ratepayers as a whole, including utility incentives and participant contributions, pursuant to Section 366.82(3)(b), F.S.?

FDACS: The Companies' proposed goals appear to adequately reflect the costs and benefits to the general body of rate payers as a whole, including utility incentives and participant contributions. However, a thorough examination and analysis of

this issue by the Commission is necessary. The Commission should consider policy options that can be implemented to achieve least-cost strategies that take into account the costs and benefits of the programs and their impact on all ratepayers.

ISSUE 4: Do the Company's proposed goals adequately reflect the need for incentives to promote both customer-owned and utility-owned energy efficiency and demand-side renewable energy systems, pursuant to Section 366.82(3)(c), F.S.?

FDACS: In determining whether the proposed goals reflect the need for incentives to promote both customer-owned and utility-owned energy efficiency and demand-side renewable energy systems, the Commission should examine and consider the impact of state and local building codes and appliance efficiency standards on the need for utility-sponsored measures and programs. The Commission should consider policy options that can be implemented to achieve least-cost strategies that take into account the costs and benefits of the programs and their impact on all ratepayers.

ISSUE 5: Do the Company's proposed goals adequately reflect the costs imposed by state and federal regulations on the emission of greenhouse gases, pursuant to Section 366.82(3)(d), F.S.?

FDACS: The Companies' proposed goals appear to adequately reflect the costs imposed by state and federal regulations currently in existence, on the emission of greenhouse gases over the past five years.

ISSUE 6: What cost-effectiveness test or tests should the Commission use to set goals, pursuant to Section 366.82, F.S.?

FDACS: The Commission's current practice of setting goals based on measures that take into consideration various tests, such as the Participant's, Total Resource Cost, and Rate Impact Measure Tests, should continue. Using multiple tests allows for a better perspective of the cost-effectiveness of the energy efficiency and conservation programs. The Commission should balance the goal of energy efficiency and conservation with the impact of the costs and benefits of these programs on rates and overall customer bills.

Docket Nos. 20190015-EG, 20190016-EG, 20190017-EG, 20190018-EG,
20190019-EG, 20190020-EG, 20190021-EG

ISSUE 7: Do the Company's proposed goals appropriately reflect consideration of free riders?

FDACS: In considering whether the Companies' proposed goals appropriately reflect free riders, the Commission should consider policy options that take into account the payback period of the proposed program measures.

Proposed sub-issue 7(a): Do the Company's proposed goals appropriately consider customer education and measures targeted to low-income customers as required by the Commission in the 2014 goals proceeding (Order No. PSC-14-0696-FOF-EU),⁴ and should the Company be required to continue to consider and develop customer education and measures targeted low-income customers in future?

FDACS: In the prior goals proceeding, the Commission acknowledged that consumer education is a critical component of energy efficiency initiatives and the utilities should continue to educate customers regarding the benefits of energy efficiency, with specific focus on outreach and educating customers on measures with a quick payback period.⁵ The Commission directed the FEECA Utilities to address how they would assist and educate their low-income customers, specifically with respect to the measures with a two-year or less payback.⁶ The Companies appear to have appropriately considered customer education and measures targeted to low-income customers as required by the Commission in the prior FEECA goals proceeding and should be commended for the new programs created and customers reached within their low-income communities. The Commission should require the Companies to maintain and continue to develop these low-income programs as well as to continue to educate and assist these customers, which are the least able to afford energy efficiency improvements and realize the benefits of such improvements.

ISSUE 8: What residential summer and winter megawatt (MW) and annual Gigawatt-hour (GWh) goals should be established for the period 2020-2029?

FDACS: FDACS has no specific position at this time, as to the appropriate residential summer and winter MW and annual GWh goals that should be established for the 2020-2029 period. However, the Commission should balance the goal of energy efficiency and conservation with the impact of the costs and benefits of these programs on rates and overall customer bills.

⁴ See, Order No. PSC-14-0696-FOF-EU, issued on December 16, 2014, at pgs. 26-27.

⁵ Id.

⁶ Id.

Docket Nos. 20190015-EG, 20190016-EG, 20190017-EG, 20190018-EG,
20190019-EG, 20190020-EG, 20190021-EG

ISSUE 9: What commercial/industrial summer and winter megawatt (MW) and annual Gigawatt hour (GWh) goals should be established for the period 2020-2029?

FDACS: FDACS has no specific position at this time, as to the appropriate commercial/industrial summer and winter MW and annual GWh goals that should be established for the 2020-2029 period. However, the Commission should balance the goal of energy efficiency and conservation with the impact of the costs and benefits of these programs on rates and overall customer bills.

ISSUE 10: What goals, if any, should be established for increasing the development of demand-side renewable energy systems, pursuant to Section 366.82(2), F.S.?

FDACS: The Legislature has declared that it is critical to utilize the most efficient and cost-effective demand-side renewable energy systems. The Commission should consider policy options that can be implemented to achieve least-cost strategies that take into account the costs and benefits of the programs and their impact on all ratepayers.

ISSUE 11: Should these dockets be closed?

FDACS: No. The dockets should remain open for the Commission to establish appropriate goals for the FEECA Utilities, following an evidentiary hearing to determine the appropriate goals.

CONTESTED ISSUES⁷

SACE Revised Issue 10:

What goals should be established for increasing the development of demand-side renewable energy systems, pursuant to Section 366.82(2), F.S.?

FDACS: FDACS takes no position on SACE's revised phrasing on Issue 10. Should SACE's revised issue be adopted, FDACS' position on the revised issue is the same as its position on current Issue 10.

⁷ SACE's proposed revised Issue 10 and new Issue 11 do not apply to FPUC (Docket No. 20190017-EG) as SACE has not intervened in that docket.

SACE New Issue 11:

Should distinct goals for low income customers be established, and if so, what should those goals be?

FDACS: As there is no statutory requirement for the Commission to set goals specifically for low-income residential customers, it is FDACS' position that its proposed sub-issue 7(a) appropriately addresses low-income customers per the Commission's directive in the 2014 goals proceeding.

5. STIPULATED ISSUES:

FDACS has not stipulated to any issues at this time.

6. PENDING MOTIONS OR OTHER MATTERS:

FDACS has no pending motions or other matters.

7. PENDING REQUESTS OR CLAIMS FOR CONFIDENTIALITY:

FDACS has no pending requests or claims for confidentiality.

8. OBJECTIONS TO QUALIFICATION OF WITNESSES AS AN EXPERT:

FDACS has no objections to the qualifications of the witnesses that have submitted pre-filed testimony in these dockets. FDACS, however, reserves the right to object to the qualifications of any expert witness not previously disclosed and reserves the right to *voir dire* the witness as to his or her expert qualifications.

9. REQUEST FOR SEQUESTRATION OF WITNESSES:

None.

10. COMPLIANCE WITH ORDER ESTABLISHING PROCEDURE:

FDACS has complied with all applicable requirements of the Order Establishing Procedure in these dockets and there are no requirements of the Order Establishing Procedure with which the FDACS cannot comply.

STATE OF FLORIDA DEPARTMENT OF
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CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the Florida Department of Agriculture and Consumer Services' Pre-hearing Statement has been furnished by electronic mail on this 22ND day of July 2019, to the following:

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