

**BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION**

In re: Commission review of numeric)
conservation goals (Duke Energy Florida,) Docket No. 20190018-EG
LLC)) Filed on: September 20, 2019
_____)

**POST-HEARING BRIEF AND STATEMENT OF POSITIONS OF
WHITE SPRINGS AGRICULTURAL CHEMICALS, INC.
d/b/a PCS PHOSPHATE – WHITE SPRINGS**

Pursuant to the Florida Public Service Commission’s February 18, 2019 *Order Consolidating Dockets and Establishing Procedure*, Order No. PSC-2019-0062-PCO-EG, White Springs Agricultural Chemicals, Inc. d/b/a PSC Phosphate – White Springs (“PCS Phosphate”), through its undersigned attorney, files its post-hearing brief and statement of positions with respect to the filing of Duke Energy Florida, LLC (“Duke” or “DEF”).

I. INTRODUCTION

The Florida Energy Efficiency and Conservation Act (“FEECA”)¹ mandates that the Public Service Commission (“Commission”) review and update utility demand side management (“DSM”) energy savings and peak load reduction goals every five years, which goals are the subject of this proceeding. Specifically, FEECA directs the Commission to set “. . . goals designed to increase the conservation of expensive resources, such as petroleum fuels, to reduce and control the growth rates of electric consumption, to reduce the growth rates of weather-sensitive peak demand, and to encourage development of demand-side renewable energy resources.”² PCS

¹ Section 366.82, Florida Statutes.

² *Id.*

Phosphate supports FEECA's energy efficiency and peak load reduction goals and the cost-effective pursuit of those objectives.

PCS Phosphate continues to support Duke's use of the Participant Cost Test ("PCT") and Rate Impact Measure ("RIM") when setting DSM goals in this proceeding. In brief, the goals proposed by Duke represent a reasonable balance of FEECA's express requirements and the cost and rate impacts to Florida consumers. The Commission should approve Duke's proposed goals.

II. POST HEARING STATEMENT OF ISSUES AND POSITIONS

With respect to the various issues presented in this proceeding, PCS Phosphate takes no position regarding the resolution of the issues with respect to any utility other than Duke, and it reaffirms the positions that are reflected in the Commission's August 7, 2019 Prehearing Order, Order No. PSC-2019-0323-PGO-EG, except with regard to the following issue:

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

PCS: *DEF's proposed commercial/industrial summer and winter goals for 2020-2029 are a reasonable balance of FEECA's express goals and costs and rate impacts to Florida consumers and should be approved. Mr. Herndon did not recommend incremental demand response goals for Duke's largest commercial and industrial customers because he assumed full subscription under existing programs. The on-going participation of large customer demand response continues to play an integral role for Duke in achieving its FEECA goals.*****

Demand response, and more specifically interruptible programs, have been a key part of Duke's DSM programs and resource planning over the years. Demand response plays an integral part in reducing peak demand, which is part of FEECA's goals. In its most recent Ten-Year Site Plan, Duke incorporated 257 MW of interruptible load during the Summer and 244 MW during the Winter months.³ DEF's forecasts project increasing amounts of interruptible service load

³ See *Duke Energy Florida, LLC Ten-Year Site Plan* at 2-13, 2-16 (Apr. 2019), available at <http://www.psc.state.fl.us/Files/PDF/Utilities/Electricgas/TenYearSitePlans/2019/Duke%20Energy%20Florida.pdf>.

going forward.⁴ Interruptible service is among the most cost-effective DSM measures Duke currently offers. Interruptible service scored a 2.39 benefit to cost ratio on the RIM test based on achievable potential.⁵

In his analysis of the technical and actual potential of DSM measures for the FEECA utilities, Mr. Herndon did not recommend any incremental demand response goals for Duke's largest commercial and industrial customers (i.e., those with a load of 501 kw or more of demand) based on his assumption that "large C&I customers will forego virtually all electric demand temporarily if the financial incentive is large enough," and that "all customers currently enrolled in a DR program did not have any additional load that could be curtailed [which meant that] all currently-enrolled DR customers were excluded from the analysis."⁶ In short, the prevailing interruptible service programs were effective in eliciting participation from DEF's largest industrial customers and were highly cost-effective for all ratepayers.

In his *Market Potential Study of Demand-Side Management in Duke Energy Florida's Service Territory*, Mr. Herndon concluded that "[t]he largest C&I customer segment does not have any additional [curtailment] potential due to existing high levels of DR participation for that customer segment for DEF."⁷ Consequently, he did not address augmented interruptible goals for Duke's largest consumers, and the assessment of interruptible potential for DEF's customers was limited to the general service- demand (GSD) class rather than customers that are currently eligible for CS or IS service.⁸ This means Duke's assessment of economic and technical potential does not consider the historic and on-going contribution of DEF's very large interruptible customers.

⁴ *Id.*

⁵ Exh. 167, DEF Response to Staff's First Set of Interrogatories Nos. 1-20, 20190018-DEF-0039414.

⁶ Tr. Vol. 2 at 329 (Herndon Testimony at 13).

⁷ Exh. 28, Exhibit JH-4, Market Potential Study for DEF, at 84-85.

⁸ *Id.* at 17.

Indeed, even Duke's review of historic performance only looks to incremental participation in the years studied (2015-2018) and does not reflect the significant embedded contribution from customers that have long participated in the interruptible service programs and which are included in Duke's planning process per its 2019 Ten Year Site Plan.⁹

Duke and its customers see measurable benefits by having ready access to interruptible service. PCS Phosphate continues to support other DSM measures which similarly pass the RIM test and PCT, as these also provide measurable value to Duke's system.

III. CONCLUSION

For the reasons stated herein, PCS Phosphate urges the Commission to approve the DSM goals proposed by Duke Energy Florida in this proceeding as a reasonable balance of FEECA's express requirements and the cost and rate impacts to Florida consumers.

Respectfully submitted,

STONE MATTHEIS XENOPOULOS &
BREW, PC

/s/ James W. Brew

James W. Brew

Laura A. Wynn

Stone Mattheis Xenopoulos & Brew, PC

1025 Thomas Jefferson St., N.W.

Suite 800 West

Washington, DC 20007

Tel: (202) 342-0800

Fax: (202) 342-0807

E-mail: jbrew@smxblaw.com

law@smxblaw.com

*Attorneys for White Springs Agricultural
Chemicals, Inc. d/b/a/ PCS Phosphate – White
Springs*

⁹ See Exh. No. 316, p. 2 of 2; see also Tr. Vol. 3 at 612-13 (confirming Duke witness Cross's direct testimony exhibit LC5 indicates incremental historical achievements since the last goals-setting case, Docket No. 20130200-EG).

CERTIFICATE OF SERVICE

I hereby certify that a true copy of the foregoing Prehearing Statement of PCS Phosphate has been furnished by electronic mail this 20th of September 2019, to the following:

Ausley Law Firm
J. Beasley/J. Wahlen/M. Means
P.O. Box 391
Tallahassee FL 32302
jbeasley@ausley.com
jwahlen@ausley.com
mmeans@ausley.com

Beggs Law Firm
Steven R. Griffin
P.O. Box 12950
Pensacola FL 32591
srg@beggsllane.com

Duke Energy
Dianne M. Triplett
299 1st Avenue North
St. Petersburg FL 33701
Dianne.triplett@duke-energy.com
FLRegulatoryLegal@duke-energy.com

Duke Energy
Robert Pickels; Matthew R. Bernier
106 East College Avenue, Suite 800
Tallahassee FL 32301-7740
Robert.Pickels@duke-energy.com
matthew.bernier@duke-energy.com

Earthjustice
Bradley Marshall/Bonnie Malloy/Jordan
Luebkemann
111 S. Martin Luther King Jr. Blvd.
Tallahassee FL 32301
bmalloy@earthjustice.org
bmarshall@earthjustice.org
jluebkemann@earthjustice.org
flcaseupdates@earthjustice.org

Florida Department of Agriculture and
Consumer Services
Steven Hall/Kelley Corbari/Joan
Matthews/Allan Charles/Brenda Buchan
The Mayo Building
407 S. Calhoun Street, Suite 520
Tallahassee FL 32399
Kelley.Corbari@FDACS.gov
Joan.Matthews@FDACS.gov
Allan.Charles@FDACS.gov
Steven.Hall@FDACS.gov
Brenda.Buchan@FDACS.gov

Florida Industrial Power Users Group
Jon C. Moyle, Jr./Karen A. Putnal/Ian E.
Waldick
c/o Moyle Law Firm, PA
118 North Gadsden Street
Tallahassee FL 32301
iwaldick@moylelaw.com
jmoyle@moylelaw.com
kputnal@moylelaw.com
mqualls@moylelaw.com

Florida Power & Light Company
Kenneth A. Hoffman
134 W. Jefferson Street
Tallahassee FL 32301
ken.hoffman@fpl.com

Florida Power & Light Company (19c Juno)
William P. Cox/Christopher T. Wright
700 Universe Boulevard (LAW/JB)
Juno Beach FL 33408
Christopher.Wright@fpl.com
Will.Cox@fpl.com

Gardner Law Firm
Robert Scheffel Wright/John T. LaVia
1300 Thomaswood Drive
Tallahassee FL 32308
jlvia@gbwlegal.com
schef@gbwlegal.com

Gulf Power Company
Russell A. Badders
One Energy Place
Pensacola FL 32520
russell.badders@nexteraenergy.com

Hopping Law Firm
Gary V. Perko/Brooke E. Lewis
Post Office Box 6526
Tallahassee FL 32314
BrookeL@hgslaw.com
GaryP@hgslaw.com
JenniferM@hgslaw.com
ShelleyL@hgslaw.com

LULAC Florida Corp.
6041 SW 159 CT
Miami FL 33193

Orlando Utilities Commission
Mr. W. Browder
P. O. Box 3193
Orlando FL 32802-3193
cbrowder@ouc.com

Southern Alliance for Clean Energy
George Cavros
120 E. Oakland Park Blvd., Suite 105
Fort Lauderdale FL 33334
george@cleanenergy.org

Florida Public Utilities Company
Mr. Mike Cassel
1750 S.W. 14th Street, Suite 200
Fernandina Beach FL 32034-3052
mcassel@fpuc.com

Gunster Law Firm
Charles A. Guyton/Beth Keating
215 South Monroe Street, Suite 601
Tallahassee FL 32301
bkeating@gunster.com
cguyton@gunster.com

Gulf Power Company
Holly Henderson
134 West Jefferson Street
Tallahassee FL 32301
holly.henderson@nexteraenergy.com

Office of Public Counsel
J.R. Kelly/P. Christensen/T. David/A. Fall-Fry
c/o The Florida Legislature
111 W. Madison Street, Rm 812
Tallahassee FL 32399
christensen.patty@leg.state.fl.us
kelly.jr@leg.state.fl.us

JEA
Mr. Berdell Knowles
21 West Church Street
Jacksonville FL 32202-3158
knowb@jea.com

Radey Law Firm
Susan F. Clark
301 S. Bronough St., Ste. 200
Tallahassee FL 32301
sclark@radeylaw.com

Jennifer Green/Dylan Reed
P.O. Box 390
Tallahassee FL 32302
Dreed@aee.net
office@libertypartnersfl.com

Spilman Law Firm
Derrick Price Williamson/Barry A. Naum
1100 Bent Creek Boulevard, Suite 101
Mechanicsburg PA 17050
bnaum@spilmanlaw.com
dwilliamson@spilmanlaw.com

Colleen Kettles
1679 Clearlake Road
Cocoa FL 32922
ckettles@fsec.ucf.edu

Sierra Club
Diana Csank
50 F Street NW, Eighth Floor
Washington DC 20001
Diana.Csank@sierraclub.org

Tampa Electric Company
Ms. Paula Brown
Regulatory Affairs
P. O. Box 111
Tampa FL 33601-0111
regdept@tecoenergy.com

Spilman Law Firm
Represents: Walmart Inc.
Stephanie U. Eaton
110 Oakwood Drive, Suite 500
Winston-Salem NC 27103
seaton@spilmanlaw.com

Vote Solar
Katie Chiles Ottenweller/Tyler Fitch
151 Astoria Street SE
Atlanta GA 30316
katie@votesolar.org
tyler@votesolar.org

/s/ Laura A. Wynn