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July 2, 2020

-VIA ELECTRONIC FILING-

Adam Teitzman
Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, FL 32399-0850

RE: Docket No. 20200056-EG: Petition for approval of demand-side management plan and request to modify Residential and Business on Call tariff sheets, by Florida Power & Light Company.

Dear Mr. Teitzman:

In response to the request from Commission Staff to file any written comments by July 7, 2020, please accept and consider these comments from Florida Power & Light Company ("FPL" or "Company") regarding Commission Staff's recommendation on FPL's Petition for approval of its demand-side management ("DSM") plan and request to modify Residential and Business on Call tariff sheets.

FPL understands that it is Staff's recommendation to maintain FPL's current DSM Plan and associated programs, absent additional filings to implement alternatives to content or administration of current programs. FPL would like to bring a few important considerations to the Commission's attention regarding three elements of the Company's proposed DSM Plan and tariff modifications: (1) modifications to the Commercial/Industrial Demand Reduction ("CDR") and Commercial and Industrial Load Control ("CILC") programs; (2) modifications to the Residential On Call ("ROC") and Business On Call ("BOC") programs; and (3) reauthorization for cost recovery of expenses associated with the Conservation Research and Development ("CRD") program through the Energy Conservation Cost Recovery ("ECCR") clause. While FPL could re-file these modifications as a separate petition to address these issues consistent with the Staff recommendation, we respectfully suggest that such a re-filing would be unnecessary and redundant. The Commission has the authority to act on one or any subset of the proposals set forth in FPL's currently pending petition. Pursuant to Section 366.82, Fla. Stat., and Commission Rule 25-17.0021, F.A.C., FPL asks that the Commission act on these three issues now as a part of its current review of FPL's proposed DSM Plan in the manner set forth below.

I. Modifications to CDR and CILC Programs

In its proposed DSM Plan, FPL has proposed to reduce the incentive (credit) levels paid to participants in the CDR and CILC programs in an effort to reduce the cost burden on the general body of customers by approximately $21 million on an annual basis while continuing to incent program participation levels necessary to meet the Commission's approved conservation goals. For perspective, it is noteworthy that approximately 90 percent of the total number of CILC and CDR customers initiated their subscriptions to these load control programs prior to 2012 when the credit levels were roughly half of the current credit level today. FPL's pending proposal would reduce these credits to a level that would still be some 30 percent higher than when the great majority of these customers (approximately 90 percent) joined the program, at the same time significantly reducing the costs being borne by non-participants by $21 million. In addition, at the current incentive levels these programs are no longer cost-effective, and the proposed reductions would allow them to return to being cost-effective.

The parties to FPL's 2016 base rate settlement ("2016 Settlement Agreement"), approved by the Commission in Order No. PSC-16-0560-AS-EI, agreed that "the appropriate level of credits is an issue" for the CDR and CILC programs in this DSM Plan proceeding, with the new levels determined by the Commission to take effect when rates are reset in FPL's next base rate proceeding. FPL included new proposed credit levels in its proposed DSM Plan consistent with the 2016 Settlement Agreement.

In this docket, FIPUG and Walmart have submitted written comments asking that issues regarding FPL's proposed modifications to CDR and CILC credit levels not be addressed in this docket but instead be addressed in FPL's next rate case or, alternatively, in a separate docket. Although the 2016 Settlement Agreement states that these credit levels are appropriate for resolution in this proceeding, FPL is willing to support the requests of FIPUG and Walmart that the Commission address the CDR and CILC credit levels in FPL's next rate case proceeding. The issues concerning the current credit levels and the programs' cost-effectiveness can be thoroughly and adequately addressed in the upcoming rate case. FPL accordingly has no objection to the Commission's clarification to the Settlement Agreement, to the extent it deems such necessary, to permit the Commission to address the CDR and CILC credit levels in the 2021 rate case and trusts that signatories to the Agreement will similarly have no objection.[1]

[1] The 2016 Settlement Agreement was signed by FPL, the Office of Public Counsel, South Florida Hospital and Healthcare Association, and the Florida Retail Federation. FIPUG and Walmart, though beneficiaries of these credits and having an interest in this issue, elected to take a "no objection" position to the agreement.

II. Modifications to Residential and Business On Call Programs

FPL has proposed several modifications to its ROC load management program, including: requiring new participants to include both their central air conditioning units and central electric heating units, if any, among the appliances they select for load management; reduction of incentives for central electric air conditioning units, central electric heating units, and swimming pool pumps; removal of the optional cycling interruption schedule for central electric air conditioning units and central electric heating units for new participants; and various administrative changes to simplify, clarify, and update the ROC tariff sheets to make them more understandable for customers (similar language updates were also proposed for the BOC tariff sheets).

The proposed modifications to the ROC and BOC programs ensure that the Commission's adopted goals are met or exceeded in a cost-effective manner. To be clear, these modifications are directed to the goals the Commission approved in last year's DSM goals proceeding, not the goals that FPL had proposed. These modifications would save FPL's general body of customers approximately $3.5 million on an annual basis in meeting the Commission's DSM goals. Neither the Commission Staff nor any party or interested person in this docket has raised any concerns or objections regarding these proposed modifications. Accordingly, FPL asks that the Commission find that these proposed modifications are in the public interest and approve them as a part of FPL's proposed DSM Plan in this docket.

III. Reauthorization for Cost Recovery associated with Conservation Research & Development Program

FPL's current CRD program is designed to evaluate new and emerging energy efficiency and demand response technologies to facilitate the development of future DSM programs. The Commission's ECCR funding authorization for this program is set to expire on December 31, 2020, under FPL's current DSM Plan, which Staff has recommended the Commission approve in this docket. As a result, if Staff's recommendation is approved by the Commission, an unintended consequence is that there will be no authorized funding for FPL's CRD program beginning in 2021.

Accordingly, FPL would ask that, as a part of the Commission's approval of the continuation of FPL's current DSM Plan as Staff has recommended, the Commission authorize a continuation of the funding for the CRD program for the time period of 2020-2024 in an amount not to exceed $5 million, as FPL requested in its proposed DSM Plan in this docket.

If there are any questions regarding this filing, please contact me at (561) 304-5662.

Sincerely,

/s/ *William P. Cox*
William P. Cox
Fla. Bar No. 0093531

cc: Chairman Gary Clark
Commissioner Julie Brown
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