

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Petition for approval of) DOCKET NO. 961198-EI
commercial/industrial new) ORDER NO. PSC-97-0091-FOF-EI
construction research project by) ISSUED: January 27, 1997
Florida Power & Light Company.)
_____)

The following Commissioners participated in the disposition of this matter:

JULIA L. JOHNSON, Chairman
SUSAN F. CLARK
J. TERRY DEASON
JOE GARCIA
DIANE K. KIESLING

NOTICE OF PROPOSED AGENCY ACTION
ORDER APPROVING FLORIDA POWER & LIGHT COMPANY'S
COMMERCIAL/INDUSTRIAL NEW CONSTRUCTION RESEARCH PROJECT

BY THE COMMISSION:

NOTICE IS HEREBY GIVEN by the Florida Public Service 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.

CASE BACKGROUND

In Order No. PSC-94-1313-FOF-EG issued on October 25, 1994, the Commission set numeric demand-side management (DSM) goals for the four largest investor-owned electric utilities (IOUs), including Florida Power & Light Company (FPL). In setting FPL's goals, we acknowledged that research and development (R&D) efforts may produce additional savings which could contribute to FPL exceeding its goals.

By Order No. PSC-95-0691-FOF-EG issued June 9, 1995, we approved the DSM plans of the four largest investor-owned electric utilities. Included in FPL's DSM plan were four existing R&D programs, four new R&D programs, and its Conservation Research and Development program. This program serves as an umbrella program to research developing technologies for possible inclusion in future DSM programs.

On October 4, 1996, FPL filed a petition seeking approval of a Commercial/Industrial (C/I) New Construction Research Project. This project will investigate a wide variety of activities designed

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to increase the energy efficiency of commercial and industrial buildings within Florida's three climate zones.

FPL anticipates that the site selection, equipment installation, monitoring, and analysis of the proposed research project will take approximately 22 to 30 months at a projected cost of \$1,525,000. Therefore, FPL has requested a tentative research period lasting for no longer than 30 months from the date of our approval and a proposed budget of \$1,525,000 which will include any incentives that may be offered to customers.

DECISION

FPL requested that we approve its Commercial/Industrial (C/I) New Construction Research Project, including approval for conservation cost recovery. The objective of FPL's C/I New Construction Research Project is to identify opportunities in the C/I new construction market which would provide cost-effective measures beyond that required by the Florida Energy Efficiency Code. FPL will initially investigate past and current new construction programs and projects to assist in formulating a general direction for FPL's future efforts. FPL will then provide input for the design of the building and conclude the project by assessing actual vs. designed performance of each measure. FPL's project will evaluate commercially available conservation measures, equipment, and construction techniques, and their combination in commercial buildings. However, FPL indicated that the specific equipment to be marketed has not been determined.

FPL plans to approach potential program participants on an individual basis. It is expected that incentives such as cost sharing of equipment or facility repairs may be required to obtain customer participation. Additionally, FPL may elect to allow the measures installed during the course of the project to remain in the customer's facilities after the research project is complete as an additional incentive. FPL currently expects to hire a contractor to assist in its research efforts. The research contractor will be required to submit quarterly progress reports indicating interim and final estimates of market potential and energy and demand reduction attributed to the C/I New Construction project. At the conclusion of the research project, FPL will submit a Project Summary Report to the Commission.

We approve FPL's Commercial/Industrial (C/I) New Construction Research Project, including approval for conservation cost recovery. We believe this provides FPL with the flexibility to explore programs. FPL, however, shall continue to monitor this program for cost-effectiveness. If FPL becomes aware that the

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program is no longer cost-effective, FPL shall terminate the program.

Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that Florida Power & Light Company's Commercial/Industrial (C/I) New Construction Research Project, including approval for conservation cost recovery, is approved. It is further

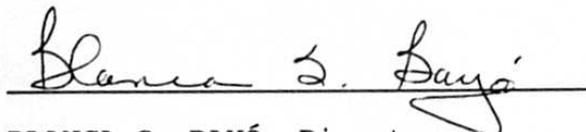
ORDERED that Florida Power & Light Company continue to monitor the Commercial/Industrial (C/I) New Construction Research Project for cost effectiveness. It is further

ORDERED that Florida Power & Light Company terminate the Commercial/Industrial (C/I) New Construction Research Project if it is determined not to be cost-effective. It is further

ORDERED that the provisions of this Order, issued as proposed agency action, shall become final and effective unless an appropriate petition, in the form provided by Rule 25-22.036, Florida Administrative Code, is received by the Director, Division of Records and Reporting, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, by the close of business on the date set forth in the "Notice of Further Proceedings or Judicial Review" 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 27th day of January, 1997.



BLANCA S. BAYÓ, Director
Division of Records and Reporting

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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 or judicial review of Commission orders that is available under Sections 120.57 or 120.68, 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 or judicial review will be granted or result in the relief sought.

The action proposed herein is preliminary in nature and will not become effective or final, except as provided by Rule 25-22.029, Florida Administrative Code. Any person whose substantial interests are affected by the action proposed by this order may file a petition for a formal proceeding, as provided by Rule 25-22.029(4), Florida Administrative Code, in the form provided by Rule 25-22.036(7)(a) and (f), Florida Administrative Code. This petition must be received by the Director, Division of Records and Reporting, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, by the close of business on February 17, 1997.

In the absence of such a petition, this order shall become effective on the day subsequent to the above date as provided by Rule 25-22.029(6), Florida Administrative Code.

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

If this order becomes final and effective on the date described above, any party substantially affected may request judicial review by the Florida Supreme Court in the case of an electric, gas or telephone utility or by the First District Court of Appeal in the case of a water or wastewater utility by filing a notice of appeal with the Director, Division of Records and Reporting and filing a copy of the notice of appeal and the filing fee with the appropriate court. This filing must be completed within thirty (30) days of the effective date of this order, pursuant to Rule 9.110, Florida Rules of Appellate Procedure. The notice of appeal must be in the form specified in Rule 9.900(a), Florida Rules of Appellate Procedure.