

FLORIDA PUBLIC SERVICE COMMISSION  
Capital Circle Office Center • 2540 Shumard Oak Boulevard  
Tallahassee, Florida 32399-0850

M E M O R A N D U M

MARCH 7, 1996

TO: DIRECTOR, DIVISION OF RECORDS AND REPORTING (BAYO)

FROM: DIVISION OF ELECTRIC & GAS (COLSON) *KC 2/23 JDS*  
DIVISION OF LEGAL SERVICES (CULPEPPER) *KC TRVE JDS*

RE: DOCKET NO. 960255-EG - PETITION TO EXTEND BUILDSMART  
PILOT PROGRAM BY FLORIDA POWER AND LIGHT COMPANY.

AGENDA: MARCH 19, 1996 - REGULAR AGENDA - PROPOSED AGENCY ACTION  
- INTERESTED PERSONS MAY PARTICIPATE

CRITICAL DATES: NONE

SPECIAL INSTRUCTIONS: I:\PSC\EAG\WP\960255.RCM

CASE BACKGROUND

The Florida Power & Light Company (FPL) BuildSmart pilot program was introduced in March of 1993. In the BuildSmart program, FPL educates builders and customers about energy-efficient building practices and their benefits, performs new home inspections to verify installations, rates the homes for their energy-efficiency, and provides certificates for qualifying new homes. Homes that exceed Florida Energy Efficiency Code requirements by more than 10%, 20% and 30% were awarded Bronze, Silver and Gold Certificates, respectively. This program has been offered in Charlotte, Lee, Glades, Hendry, and Collier counties. At the time of approval, the program was expected to end during the first quarter of 1995.

On March 31, 1995, FPL filed its first Petition to extend the BuildSmart offerings through December 31, 1995. FPL had not completed its analysis of the BuildSmart program and wished to incorporate the BuildSmart program into the analysis of FPL's Integrated Resource Planning (IRP) process. Pursuant to Order No. PSC-95-0611-FOF-EG, the Commission approved FPL's Petition to extend the BuildSmart offerings through December 31, 1995.

On December 7, 1995, FPL filed its second Petition to Extend its BuildSmart Program. FPL requested that the BuildSmart portion of the New Home Construction R&D Project continue until the

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Commission takes final action in Docket No. 951536-EG. FPL stated that the continued offering of BuildSmart in Southwest Florida will maintain the present momentum in customer and building contractor acceptance. Pursuant to Order No. PSC-96-0116-FOF-EG, the Commission approved FPL's petition to extend the BuildSmart offerings through March 30, 1996.

In filing this Petition, FPL seeks the Commission's approval of a third extension of its BuildSmart program beyond March 1996 until the Commission either takes final action in Docket No. 951536-EG or through December 31, 1996.

DISCUSSION OF ISSUES

**ISSUE 1:** Should the Commission approve FPL's third request to extend the BuildSmart portion of the New Home Construction R&D Project and the concurrent recovery of the reasonable and prudent expenditures through the Energy Conservation Cost Recovery Clause (ECCR)?

**STAFF RECOMMENDATION:** Yes. Additionally, Staff recommends that FPL continue to submit the quarterly reports as it has been doing in the New Home Construction R&D Project.

**STAFF ANALYSIS:** Because of the delay in FPL's response to Staff's First Set of Interrogatories and the Petition of Lee County for Leave to Intervene, the schedule in Docket No. 951536-EG now calls for staff's recommendation on April 18, 1996. Currently, the BuildSmart expenses will be recovered under ECCR through March 1996. In order to avoid a lapse in cost-recovery, FPL is requesting the continuation of the program and its recovery through ECCR of approximately \$620,000 from April 1, 1996 through December 31, 1996. The Commission approved the original spending cap of \$5.9 million for the New Home Construction R&D project which extended from March, 1993 to September, 1995. The Commission increased the cap to \$6.28 million in order for FPL to extend its BuildSmart analysis through the last quarter of 1995. However, FPL spent only \$5,936,545 through December 31, 1995 and now projects to spend an additional \$194,000 for the first quarter of 1996. FPL seeks the authority to increase the cap to \$6,750,000 in order to accommodate the extension of the BuildSmart program through December 31, 1996. This cap includes \$5,936,545 that FPL has already spent through December 31, 1995, \$194,000 that FPL projects to spend during the first quarter of 1996, and \$620,000 that FPL projects it will spend during the last three quarters of 1996. Attachment No. 1 shows the actual and projected cost for the BuildSmart Pilot Program from its inception through December 31, 1996.

Staff recommends continuation of the funding of the Buildsmart program through December 31, 1996. Additionally, Staff recommends that FPL continue to submit the quarterly reports as it has been doing in the New Home Construction R&D Project.

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**ISSUE 2:** Should these dockets be closed?

**RECOMMENDATION:** Yes. If no person whose substantial interests are affected by the Commission's proposed agency action, timely files a protest within twenty-one days, this docket should be closed.

**STAFF ANALYSIS:** If no person whose substantial interests are affected, files a timely request for a Section 120.57, Florida Statutes, hearing within twenty-one days, no further action will be required and this docket should be closed.

1993	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr
BuildSmart Pilot Program	\$ 9,653	\$ 34,676	\$ 121,534	\$ 278,114
Research & Evaluation	\$ 2,723	\$ 9,780	\$ 34,279	\$1,233,404
Totals	\$ 12,376	\$ 44,456	\$ 155,813	\$1,511,518
Cumulative Totals	\$ 12,376	\$ 56,832	\$ 212,645	\$1,724,163

1994	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr
BuildSmart Pilot Program	\$ 45,446	\$ 176,770	\$ 126,145	\$ 196,516
Research & Evaluation	\$ 200,825	\$ 538,294	\$ 385,466	\$ 943,413
Totals	\$ 246,271	\$ 715,064	\$ 511,611	\$1,139,929
Cumulative Totals	\$ 1,970,434	\$ 2,685,498	\$3,197,109	\$4,337,038

1995	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr *
BuildSmart Pilot Program	\$ 213,608	\$ 173,355	\$ 217,849	\$ 70,000
Research & Evaluation	\$ 150,134	\$ 487,081	\$ 255,507	\$ -
Totals	\$ 363,742	\$ 660,436	\$ 473,356	\$ 70,000
Cumulative Totals	\$ 4,700,780	\$ 5,361,216	\$5,834,572	\$5,904,572

\* Projected Estimate

1996	1st. Qtr *	2nd. Qtr *	3rd. Qtr. *	4th. Qtr.*
Field Program Support	\$ 33,000	\$ 41,223	\$ 41,223	\$ 41,223
Staff Program Support	\$ 24,000	\$ 32,223	\$ 32,223	\$ 32,223
Advertising & Promotion	\$ 137,000	\$ 145,222	\$ 145,220	\$ 145,220
BuildSmart Program Cumulative Totals	\$ 194,000	\$ 412,668	\$ 631,334	\$ 850,000

\* Projected Estimate