



Public Service Commission

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-M-E-M-O-R-A-N-D-U-M-

DATE: November 5, 1998

TO: DIRECTOR, DIVISION OF RECORDS AND REPORTING (1226)

FROM: DIVISION OF ELECTRIC & GAS (HARLOW) *DRUE*
DIVISION OF LEGAL SERVICES (JAYE) *JDJ*

RE: DOCKET NO. 981255-EG - PETITION FOR EXTENSION OF
CONSERVATION RESEARCH AND DEVELOPMENT PROGRAM BY FLORIDA
POWER AND LIGHT COMPANY

AGENDA: 11/17/98 - REGULAR AGENDA - PROPOSED AGENCY ACTION -
INTERESTED PERSONS MAY PARTICIPATE

CRITICAL DATES: NONE

SPECIAL INSTRUCTIONS: NONE

FILE NAME AND LOCATION: S:\PSC\EAG\WP\981255EG.RCM

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CASE BACKGROUND

On October 20, 1990, the Commission issued Order No. 23560 in Docket No. 900091, approving Florida Power and Light's (FPL) Conservation Research and Development Program as part of FPL's Demand Side Management (DSM) Plan for the 1990's. The Conservation Research and Development Program is an umbrella program under which a wide variety of potentially promising demand side measures are evaluated for possible future development.

On June 9, 1995, the Commission issued Order No. PSC-95-0691-FOF-EG in Docket No. 941170-EG which approved FPL's current DSM Plan. The plan included the modified Conservation Research and Development Program. The Commission ordered that FPL's expenditures for the program be capped at \$3,600,000, ending in December, 1998.

On October 2, 1998, FPL petitioned the Commission to extend the Conservation Research and Development Program beyond December, 1998, until a new DSM Plan is approved. FPL has also requested recovery of reasonable and prudent expenditures for the program through the Energy Conservation Cost Recovery Clause. FPL has not

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DISCUSSION OF ISSUES

ISSUE 1: Should the Commission grant Florida Power and Light Company's (FPL) petition to extend its Conservation Research and Development Program until a new Demand Side Management (DSM) Plan for FPL is approved?

RECOMMENDATION: Yes. The program provides a vehicle for FPL to stay abreast of emerging conservation technologies. Approving additional time for the project will allow FPL to complete the evaluation of several additional technologies. Further, no additional costs beyond the already approved \$3,600,000 are being requested for recovery.

STAFF ANALYSIS: The Conservation Research and Development Program is an umbrella research and development program. The purpose of the program is the evaluation of a wide variety of potentially promising demand side measures for possible future program development. The program provides a vehicle for FPL to evaluate emerging conservation technologies. This can result in energy and demand savings if new DSM programs result.

The program has resulted in many of the DSM programs which are currently offered by FPL or have been offered in the past, including:

- Commercial/Industrial Off-Peak Battery Program
- Commercial/Industrial Building Envelope Program
- Buildsmart
- Commercial/Industrial Air Conditioner Program
- Commercial/Industrial Lighting Program
- Commercial/Industrial Efficient Motors Program

The program has also led to the development of several more specific DSM research and development programs, including:

- New Home Construction Research Project
- Commercial/Industrial New Construction
- Daylight Dimming Research Project
- Demand Load Control Research Project
- Cool Communities
- Commercial/Industrial Dehumidification Project

A number of technologies have also been examined that did not warrant a program. FPL has developed technical briefs on these technologies that are distributed to customers upon request.

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The program was originally approved through December, 1998. However, FPL has requested that the program be extended until the Commission approves a new DSM Plan for FPL. According to FPL, as of September, 1998, total actual expenditures in the program have been \$352,741. The total Commission-approved budget for the program is \$3,600,000. FPL has not requested recovery of expenditures in excess of \$3,600,000 through the ECCR clause.

Staff recommends that the Commission grant FPL's petition to extend its Conservation Research and Development Program until FPL's new DSM Plan is approved by the Commission, because: (1) the program provides a vehicle for the company to stay abreast of emerging conservation technologies; (2) no additional costs beyond the already approved \$3,600,000 are being requested for recovery; and, (3) approving additional time for the project will allow FPL to complete the evaluation of several additional technologies.

ISSUE 2: Should this docket be closed?

RECOMMENDATION: This docket should be closed if no person whose substantial interests are affected by the proposed agency action files a protest within the 21-day protest period.

STAFF ANALYSIS: Pursuant to Rule 25-22.029(4), Florida Administrative Code, any person whose substantial interests are affected by the proposed agency action shall have 21 days after the issuance of the order to file a protest. If no timely protest is filed, the docket should be closed.