

Ruth Nettles

080407-EG

From: Tibbetts, Arlene [Arlene.Tibbetts@pgnmail.com]
Sent: Tuesday, January 12, 2010 10:23 AM
To: Filings@psc.state.fl.us
Cc: 'jenglish@fpuc.com'; 'ljacobs50@comcast.net'; 'sclark@radeylaw.com'; 'jeremy.susac@myflorida.com'; 'suzannebrownless@comcast.net'; Katherine Fleming; 'vkaufman@kagmlaw.com'; 'jmcwhirter@mac-law.com'; 'george@cavros-law.com'; 'jbeasley@ausley.com'; 'willis@ausley.com'; 'srg@beggslane.com'; 'cbrowder@ouc.com'; 'miltta@jea.com'; 'ryoung@yvlaw.net'; 'nhorton@lawfla.com'; 'sdriteno@southernco.com'; 'cguyton@ssd.com'; 'wade.litchfield@fpl.com'; Burnett, John; 'rhalley@ouc.com'; 'jeff.curry@lakelandelectric.com'; 'regdept@tecoenergy.com'; 'jessica.cano@fpl.com'; 'gperko@hgslaw.com'; Masiello, John A.; Lewis Jr, Paul
Subject: PEF Motion for Reconsideration
Attachments: PEF Motion for Reconsideration.pdf

This electronic filing is made by:

John Burnett
P.O. Box 14042
St. Petersburg, FL 33733
727-820-5184
John.Burnett@pgnmail.com

Docket: 080408-EG, et al.

In re: Commission Review of numeric conservation goals (Progress Energy Florida, Inc.)

On behalf of Progress Energy Florida

Consisting of 8 pages

The attached document for filing is PEF's Motion for Reconsideration

1/12/2010

DOCUMENT NUMBER-DATE
00273 JAN 12 2010
FPSC-COMMISSION CLERK

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Commission review of numeric conservation goals (Florida Power & Light Company)	Docket No. 080407-EG
In re: Commission review of numeric Conservation goals (Progress Energy Florida, Inc.)	Docket No. 080408-EG
In re: Commission review of numeric conservation goals (Tampa Electric Company)	Docket No. 080409-EG
In re: Commission review of numeric Conservation goals (Gulf Power Company)	Docket No. 080410-EG
In re: Commission review of numeric conservation goals (Florida Public Utilities Company)	Docket No. 080411-EG
In re: Commission review of numeric conservation goals (Orlando Utilities Commission)	Docket No. 080412-EG
In re: Commission review of numeric conservation goals (JEA)	Docket No. 080413-EG

Filed: January 12, 2010

PROGRESS ENERGY FLORIDA, INC.'S MOTION FOR RECONSIDERATION

Progress Energy Florida, Inc. ("PEF" or the "Company"), hereby submits this Motion for Reconsideration in this matter and states as follows:

1. On December 30, 2009, the Commission issued Order No. PSC-09-0855-FOF-EG in this Docket ("Order") instructing PEF to adopt Demand Side Management ("DSM") goals based on the enhanced total resource cost test ("E-TRC") plus the addition of PEF's "Top Ten Residential Free Rider" measures ("Top Ten") based on energy savings. Order, Pages 15-16. This decision will result in typical PEF residential customer bills increasing by about \$5 (per 1,200 kwh) per month in 2010 and, on average over the 10-year period, by about \$15 per month. Commercial, industrial, and governmental customers will see similar relative increases over the same time period.

2. Pursuant to Order PSC-09-0855-FOF-EG on page 18, PEF's gigawatt hour (gWh) and megawatt (MW) savings over the next ten years will be:

Summer MW: 1183
Winter MW: 1072
Energy GHW: 3488

In Order PSC-09-0855-FOF-EG, the Commission adopted Staff's proposed recommendation that erroneously based PEF's new goals on programs that are technically possible rather than using savings goals based on programs that are achievable for PEF. Because the use of technical data rather than achievable data logically appears to be a mistake, PEF has filed the instant motion to ask the Commission to correct this apparent oversight or scrivener's error.¹ Additionally, PEF has discovered that three measures were double counted in setting PEF's goals, once in PEF's E-TRC goals and again in PEF's Top Ten goals. This also logically appears to be an inadvertent oversight or scrivener's error that needs to be corrected as more fully explained below.

3. With respect to the use of technical versus achievable data in setting DSM goals, the following passage from the ACEEE is instructive:

A Technical Potential Study is not constrained by economics or the practical realities of getting homeowners and businesses to actually undertake energy-saving actions and investments and there is no time constraint. The Achievable Study applies the following variables to subset the Technical Potential results into a cost-effective achievable goal:

- Product availability
- Contractor/vendor capacity to do the work
- Cost-effectiveness for the customer
- Customer preferences
- Lack of awareness of new technology
- Energy user rents or leases facility, not an owner

¹ The standard of review for a motion for reconsideration is whether there was some point of fact or law that the Commission overlooked or failed to consider in rendering its decision. See Diamond Cab Co. v. King, 146 So. 2d 889 (Fla. 1962); Pingree v. Quaintance, 394 So. 2d 161 (Fla. 1st DCA 1981). The Commission has recognized that reconsideration is proper when a mistake is made and a correction is needed to reflect accurate information. See e.g., Order No. PSC-07-0483-PCO-EU (June 8, 2007); Order No. 10963(July 7, 1982).

- Market saturation
- Federal or State regulatory energy standards for building codes or consumers
- Market trends/biases
- Design firms and contractor/builder bias (reluctance to try new technology)
- Deed or Homeowner Association restrictions

See ACEEE: *The Technical, Economic and Achievable Potential for Energy-Efficiency in the U.S. – A Meta-Analysis of Recent Studies* (2004). To summarize, technical data reflects what savings could conceivably be seen without any real world constraints while achievable data reflects what savings a utility can reasonably expect to see in real world applications.

Referencing the Itron Technical and Achievable studies that are in evidence in this matter, the following chart demonstrates a good example of the numeric differences between the technical potential of a reflective roof² efficiency measure and the achievable potential for that same measure when real world factors such as customer acceptance and deed/homeowner restrictions are considered:

Reflective Roof Technical to E-TRC Achievable Comparison					
Measure	Building Type	Technical GWh	Technical SMW	Achievable GWh	Achievable SMW
Reflective Roof	Single Family	240.90	93.01	9.66	3.71
	Multiple Family	69.50	28.48	2.59	1.06
	Manufactured	33.60	15.54	2.45	1.13
TOTAL		344.00	137.03	14.70	5.90

Given the fact that it would be illogical to assume that the Commission would intentionally set technical goals for PEF that PEF could not meet on an achievable basis, PEF assumes that the Commission mistakenly included technical savings figures in its Order rather than the achievable goals that it intended.

² A reflective roof is achieved by applying elastomeric, polyurethane, acrylic coatings or single-ply roofing sheets made of rubber, plastic, or PVC.

4. The Commission's order setting PEF's goals also counts three program measures twice, once in PEF's E-TRC goals and again in PEF's Top Ten goals. Specifically, the following measures were double counted which results in PEF's DSM goals being higher than they should have been:

Measure Name	Technical		
	Net Energy Savings GWH	Summer Demand MW	Winter Demand MW
3 230 231 CFL (18-Watt integral ballast), 2.5 hr/day	73.11	3.80	5.50
3 800 802 High Efficiency One Speed Pool Pump (1.5 hp)	2.96	0.60	0.10
1 800 801 Two Speed Pool Pump (1.5 hp)	206.66	44.10	8.60
TOTAL	282.73	48.50	14.20

This also appears to be an inadvertent oversight or scrivener's error that needs to be corrected. Thus, correcting PEF's goals from a technical basis to an achievable basis, and correcting the double counting of some program measures, the following chart reflects what PEF believes the Commission intended the achievable goals to be in its order:

Adjusted Goals	E-TRC (Achievable)			Plus Top Residential With 2-Yr Payback (Technical)			Equals E-TRC + Top Residential		
	Net Energy Savings GWH	Summer Demand MW	Winter Demand MW	Net Energy Savings GWH	Summer Demand MW	Winter Demand MW	Net Energy Savings GWH	Summer Demand MW	Winter Demand MW
FPSC December 30th Order	1,585	744	882	1,903	439	190	3,488	1,183	1,072
Less DR Portion of Goals		(259)	(333)						
Energy Efficiency Portion of Goals	1,585	485	549						
Removal of Duplicative Measures with < 2-yr payback				283	49	14			
Adjusted Top Ten Residential				1,620	390	176			
Conversion Factor - Technical to Achievable				12.8%	16.5%	28.9%			
Adjusted Energy Efficiency Goals	1,585	485	549	207	64	51	1,792	549	600
Plus DR Portion of Goals		259	333					259	333
Total DSM Goal (EE & DR)	1,585	744	882	207	64	51	1,792	808	933

3

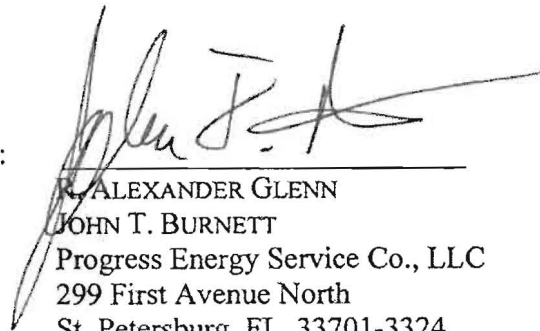
³ Conversion factor is based on the ratio of PEF's Energy Efficiency Achievable results to PEF's Energy Efficiency Technical Potential. PEF's Achievable results are referenced on page 6 of Masiello Direct Testimony and on Exhibits JAM 1 and JAM 7. PEF Technical Potential results are from Final Technical Potential Study and in direct testimony Exhibit JAM 2.

To account for the corrections noted in this motion, PEF has also included a revised "Commission-Approved Conservation Goals for PEF" as Exhibit A to replace the table contained on page 18 of the Commission's order.

5. In light of the foregoing, PEF respectfully requests that the Commission reconsider its Order in this matter and issue a corrected order setting PEF's DSM goals at the figures set forth in paragraph 4 above and as reflected in Exhibit A. In accordance with Rule 28-106.204(3), Fla. Admin. Code, counsel for PEF has attempted to contact counsel for all parties of record in this matter and is authorized to report that Florida Power and Light Company, Tampa Electric Company, Gulf Power Company, and Florida Public Utilities Company take no position on this motion. As of the date of this filing, the undersigned was not able to determine the positions of the remainder of the parties to this docket.

RESPECTFULLY SUBMITTED this 12th day of January, 2010.

By:

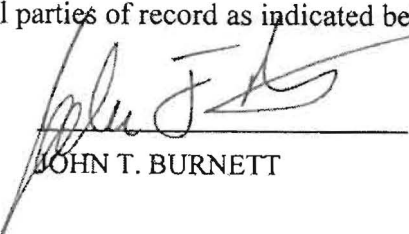


ALEXANDER GLENN
JOHN T. BURNETT
Progress Energy Service Co., LLC
299 First Avenue North
St. Petersburg, FL 33701-3324
Telephone: (727) 820-5184
Facsimile: (727) 820-5249
E-Mail: john.burnett@pgnmail.com

Attorneys for PROGRESS ENERGY FLORIDA

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing has been furnished via U.S. Mail this 12th day of January, 2010 to all parties of record as indicated below.


JOHN T. BURNETT

Florida Public Utilities Company Mr. John T. English P. O. Box 3395 West Palm Beach, FL 33402-3395 Phone: (561) 838-1762 FAX: (561) 833-8562	Southern Alliance for Clean Air/Natural Resources Defense E. Leon Jacobs, Jr. c/o Williams & Jacobs, LLC 1720 South Gadsden St. MS 14, Suite 201 Tallahassee, FL 32301
Susan Clark Radey Law Firm 301 South Bronough Street, Suite 200 Tallahassee, FL 32301	Jeremy Susac, Executive Director Florida Energy and Climate Commission c/o Governor's Energy Office 600 South Calhoun St., Suite 251 Tallahassee, FL 32399-0001
Florida Solar Coalition Suzanne Brownless Suzanne Brownless, PA 1975 Buford Blvd. Tallahassee, FL 32308	Office of General Counsel Katherine Fleming, Esquire Florida Public Service Commission 2540 Shumard Oak Blvd. Tallahassee, FL 32399-0850
JEA Ms. Teala A. Milton V.P., Government Relations 21 West Church Street, Tower 16 Jacksonville, FL 32202-3158 Phone: (904) 665-7574 FAX: (904) 665-4238 Email: miltta@jea.com	Orlando Utilities Commission W. Chris Browder 100 W. Anderson Street Orlando, FL 32802 Phone: 407-236-9698 FAX: 407-236-9639 Email: cbrowder@ouc.com
Orlando Utilities Commission Randy Halley 100 W. Anderson Street Orlando, FL 32802 Phone: 407-418-5030 FAX: 407-423-9198 Email: rhalley@ouc.com	Messer Law Firm Norman H. Horton, Jr. Post Office Box 15579 Tallahassee, FL 32317 Phone: 850-222-0720 FAX: 224-4359 Email: nhorton@lawfla.com

<p>Beggs & Lane Law Firm Steven R. Griffin 501 Commendancia Street Pensacola, FL 32502 Phone: 850-432-2451 Email: srg@beggslane.com</p>	<p>Gulf Power Company Ms. Susan D. Ritenour One Energy Place Pensacola, FL 32520-0780 Phone: (850) 444-6231 FAX: (850) 444-6026 Email: sdriteno@southernco.com</p>
<p>Florida Power & Light Company Mr. Wade Litchfield 215 South Monroe Street, Suite 810 Tallahassee, FL 32301-1859 Phone: (850) 521-3900 FAX: 521-3939 Email: wade_litchfield@fpl.com</p>	<p>Ausley Law Firm Lee L. Willis/James D. Beasley Post Office Box 391 Tallahassee, FL 32302 Phone: 850-224-9115 FAX: 222-7560</p>
<p>Lakeland Electric Jeff Curry 501 East Lemon Street Lakeland, FL 33801 Phone: 863-834-6853 Email: jeff.curry@lakelandelectric.com</p>	<p>Tampa Electric Company Ms. Paula K. Brown Regulatory Affairs P. O. Box 111 Tampa, FL 33601-0111 Phone: (813) 228-1444 Email: Regdept@tecoenergy.com</p>
<p>George S. Cavros, Esq., P.A. 120 E Oakland Park Blvd., Suite 10 Ft. Lauderdale, FL 33334</p>	<p>FIPUG John W. McWhirter, Jr. P.O. Box 3350 Tampa, FL 33601-3350</p>
<p>Florida Power & Light Company Charles A. Guyton Squire, Sanders & Dempsey, LLP 215 South Monroe Street Suite 601 Tallahassee, FL 32301</p>	<p>Florida Power & Light Company Jessica A. Cano Florida Power & Light Company 700 Universe Boulevard Juno Beach, FL 33408</p>
<p>FIPUG Vicki Gordon Kaufman Jon C. Moyle, Jr Keefe Anchors Gordon & Moyle, PA. 118 North Gadsden Street Tallahassee, FL 32301</p>	<p>JEA Gary V. Perko Hopping, Green & Sams, P.A. 119 South Monroe St., Suite 300 Tallahassee, FL 32301</p>

Revised Conservation Goals for PEF

Residential									
	Summer (MW)			Winter (MW)			Annual (GWh)		
Year	E-TRC	Residential <2-Yr. Payback	Revised Goal	E-TRC	Residential <2-Yr. Payback	Revised Goal	E-TRC	Residential <2-Yr. Payback	Revised Goal
2010	40.8	3.9	44.3	63.7	3.1	66.8	99.6	12.7	112.3
2011	42.5	5.5	48.1	69.2	4.4	73.6	105.6	17.9	123.5
2012	45.5	8.8	52.3	73.2	5.5	78.7	114.7	22.1	136.8
2013	47.5	7.8	55.0	75.9	6.0	81.9	120.7	24.5	145.2
2014	49.4	7.9	57.4	78.6	6.3	84.9	126.7	25.7	152.5
2015	54.8	7.8	62.5	83.3	6.2	89.5	147.9	25.2	173.1
2016	63.3	7.4	70.7	94.1	5.9	100.0	135.8	23.9	169.7
2017	62.9	8.6	69.5	93.5	5.3	98.8	129.8	21.5	151.3
2018	57.3	5.7	63.0	86.0	4.5	90.5	117.7	18.3	136.0
2019	42.9	4.7	47.6	61.5	3.7	65.2	108.8	15.1	123.8
Total	506.6	64.0	570.8	779.0	51.0	830.0	1207.1	207.0	1414.1

Commercial/Industrial									
	Summer (MW)			Winter (MW)			Annual (GWh)		
Year	E-TRC	Residential <2-Yr. Payback	Commission Approved Goal	E-TRC	Residential <2-Yr. Payback	Commission Approved Goal	E-TRC	Residential <2-Yr. Payback	Commission Approved Goal
2010	13.7	0.0	13.7	5.2	0.0	5.2	31.1	0.0	31.1
2011	16.2	0.0	16.2	5.3	0.0	5.3	33.0	0.0	33.0
2012	25.5	0.0	25.5	11.4	0.0	11.4	35.9	0.0	35.9
2013	25.9	0.0	25.9	11.5	0.0	11.5	37.7	0.0	37.7
2014	26.4	0.0	26.4	11.5	0.0	11.5	39.6	0.0	39.6
2015	27.6	0.0	27.6	11.7	0.0	11.7	46.2	0.0	46.2
2016	27.1	0.0	27.1	11.6	0.0	11.6	42.5	0.0	42.5
2017	27.0	0.0	27.0	11.8	0.0	11.8	40.6	0.0	40.6
2018	25.7	0.0	25.7	11.4	0.0	11.4	36.8	0.0	36.8
2019	22.3	0.0	22.3	11.3	0.0	11.3	34.0	0.0	34.0
Total	237.3	0.0	237.3	102.6	0.0	102.6	377.4	0.0	377.4

Total of Res & Com	743.9	64.0	807.9	881.6	51.0	932.6	1584.5	207.0	1791.5
--------------------	-------	------	-------	-------	------	-------	--------	-------	--------

DOCUMENT NUMBER DAT:

00273 JAN 12 0

FPSC