

State of Florida



## Public Service Commission

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TALLAHASSEE, FLORIDA 32399-0850

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

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**DATE:** June 25, 2020

**TO:** Office of Commission Clerk (Teitzman)

**FROM:** Division of Engineering (Ellis, Phillips, Thompson, Wooten, Wright) *TB*  
Office of the General Counsel (Murphy, Passidomo, Weisenfeld) *TLI*

**RE:** Docket No. 20200053-EG – Petition for approval of demand-side management plan, by Tampa Electric Company.

Docket No. 20200054-EG – Petition for approval of proposed demand-side management plan, by Duke Energy Florida, LLC.

Docket No. 20200055-EG – Petition for approval of proposed demand-side management plan, by Gulf Power Company.

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.

Docket No. 20200060-EG – Petition for approval of demand-side management plan, by Florida Public Utilities Company.

**AGENDA:** 07/07/20 – Regular Agenda – Proposed Agency Action – Interested Persons May Participate

**COMMISSIONERS ASSIGNED:** All Commissioners

**PREHEARING OFFICER:** Brown

**CRITICAL DATES:** None

**SPECIAL INSTRUCTIONS:** None

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## Case Background

Enacted in 1980, Sections 366.80 through 366.83, and 403.519, Florida Statutes (F.S.), are known collectively as the Florida Energy Efficiency and Conservation Act (FEECA). Section 366.81, F.S., states, in part:

The Legislature finds and declares that it is critical to utilize the most efficient and cost-effective demand-side renewable energy systems and conservation systems in order to protect the health, prosperity, and general welfare of the state and its citizens. Reduction in, and control of, the growth rates of electric consumption and of weather-sensitive peak demand are of particular importance.

FEECA requires the Florida Public Service Commission (Commission or PSC) to adopt appropriate conservation goals which are to be reviewed at least every five years. The goals are intended to increase the efficiency of energy consumption, increase the development of demand-side renewable energy systems, reduce the growth rates of weather-sensitive peak demand, reduce and control the growth rates of electricity consumption, and reduce the consumption of expensive resources such as petroleum fuels. In adopting conservation goals, the Commission must consider the multiple factors outlined in Section 366.82(3), F.S., and Rule 25-17.0021, Florida Administrative Code (F.A.C.).

The seven electric utilities subject to FEECA are Florida Power & Light Company (FPL), Duke Energy Florida, LLC (DEF), Tampa Electric Company (TECO), Gulf Power Company (Gulf), Florida Public Utilities Company (FPUC), JEA, and Orlando Utilities Commission (OUC). Of these utilities, the Commission has rate setting authority over all except JEA and OUC, which are municipal electric utilities. The remaining utilities, referred to herein as the electric Investor Owned Utilities (IOUs), are subject to the Commission's rate setting authority.

The Commission recently conducted its five-year review and established conservation goals by Order No. PSC-2019-0509-FOF-EG, issued November 26, 2019 (2019 Goal Setting Order).<sup>1</sup> After a full evidentiary hearing, the Commission found that it was in the public interest to continue with the goals established in the prior FEECA Goal Setting proceeding, by Order No. PSC-14-0696-FOF-EU (2014 Goal Setting Order) for the period 2020 through 2024.<sup>2</sup>

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<sup>1</sup> Order No. PSC-2019-0509-FOF-EG, issued November 26, 2019, in Docket No. 20190015-EG, *In re: Commission review of numeric conservation goals (Florida Power & Light Company)*, Docket No. 20190016-EG, *In re: Commission review of numeric conservation goals (Gulf Power Company)*, Docket No. 20190017-EG, *In re: Commission review of numeric conservation goals (Florida Public Utilities Company)*, Docket No. 20190018-EG, *In re: Commission review of numeric conservation goals (Duke Energy Florida, LLC)*, Docket No. 20190019-EG, *In re: Commission review of numeric conservation goals (Orlando Utilities Commission)*, Docket No. 20190020-EG, *In re: Commission review of numeric conservation goals (JEA)*, and Docket No. 20190021-EG, *In re: Commission review of numeric conservation goals (Tampa Electric Company)*.

<sup>2</sup> Order No. PSC-14-0696-FOF-EU, issued December 16, 2014, in Docket No. 20130199-EI, *In re: Commission review of numeric conservation goals (Florida Power & Light Company)*, Docket No. 20130200-EI, *In re: Commission review of numeric conservation goals (Duke Energy Florida, Inc.)*, Docket No. 20130201-EI, *In re: Commission review of numeric conservation goals (Tampa Electric Company)*, Docket No. 20130202-EI, *In re: Commission review of numeric conservation goals (Gulf Power Company)*, Docket No. 20130203-EM, *In re: Commission review of numeric conservation goals (JEA)*, Docket No. 20130204-EM, *In re: Commission review of*

Pursuant to Rule 25-17.0021(4), F.A.C., within 90 days of a final order establishing or modifying goals, each IOU must submit for Commission approval a Demand Side Management (DSM) Plan designed to meet the utility's approved goals. Each of the IOUs filed a proposed 2020 DSM Plan on or before February 24, 2020. As part of these filings, each of the IOUs provided a cost-effectiveness analysis of its proposed programs pursuant to Rule 25-17.008, F.A.C. On June 19, 2020, the Florida Industrial Power Users Group (FIPUG) filed comments in Docket No. 20200056-EG, FPL's DSM Plan approval docket. The comments urged the Commission to refrain from modifying FPL's existing Commercial and Industrial Load Credit and the Commercial and Industrial Demand Reduction Credit programs. On June 23, 2020, Walmart Inc. filed comments in support of FIPUG's position.

The Commission has already approved the proposed 2020 DSM Plans for JEA and OUC.<sup>3</sup> This recommendation addresses only the IOUs. The Commission has jurisdiction over these matters pursuant to Sections 366.80 through 366.83 and 403.519, F.S.

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*numeric conservation goals (Orlando Utilities Commission), and Docket No. 20130205-EI, In re: Commission review of numeric conservation goals (Florida Public Utilities Company).*

<sup>3</sup> See Docket Nos. 20200057-EG (*Petition for approval of demand-side management plan, by JEA*), and 20200058-EG (*Petition for approval of 2020 demand-side management plan, by Orlando Utilities Commission*).

## Discussion of Issues

**Issue 1:** Should the Commission approve the proposed DSM Plans for the IOUs?

**Recommendation:** No. Staff recommends that the Commission continue the existing programs previously approved by the Commission as they are consistent with and adequate to meet the 2019 Goal Setting Order, and should have no incremental cost impact to customers. A brief description of each existing program is included as Attachment A to this recommendation. If an IOU desires to propose a new or modified DSM program, it should file a separate petition to be evaluated on a case-by-case basis.

Consistent with the 2019 Goal Setting Order, staff also recommends that the Commission initiate rulemaking to explore possible rule revisions that would consolidate the FEECA Goal Setting and DSM Plan proceedings, in an effort to improve the overall Goal Setting and DSM plan approval process. (Ellis, Phillips, Thompson, Wooten, Wright)

**Staff Analysis:** The Commission began the 2019 FEECA Goal Setting proceeding by establishing seven dockets to set numeric conservation goals for each of the utilities subject to FEECA. Section 366.82(3), F.S., states:

In developing the goals, the commission shall evaluate the full technical potential of all available demand-side and supply-side conservation and efficiency measures, including demand-side renewable energy systems. In establishing the goals, the commission shall take into consideration:

- (a) The costs and benefits to customers participating in the measure.
- (b) The costs and benefits to the general body of ratepayers as a whole, including utility incentives and participant contributions.
- (c) The need for incentives to promote both customer-owned and utility-owned energy efficiency and demand-side renewable energy systems.
- (d) The costs imposed by state and federal regulations on the emission of greenhouse gases.

In addition, Rule 25-17.0021(3), F.A.C., states:

In a proceeding to establish or modify goals, each utility shall propose numerical goals for the ten year period and provide ten year projections, based upon the utility's most recent planning process, of the total, cost-effective, winter and summer peak demand (KW) and annual energy (KWH) savings reasonably achievable in the residential and commercial/industrial classes through demand-side management. Each utility's projection shall reflect consideration of overlapping measures, rebound effects, free riders, interactions with building codes and appliance efficiency standards, and the utility's latest monitoring and evaluation of conservation programs and measures.

In the 2019 FEECA Goal Setting proceeding, the IOUs presented the Commission with new technical potential studies and analyses of economic and achievable potential savings based upon the cost-effectiveness of a host of individual DSM measures. The utilities and intervenors proposed goals based upon updated economic assumptions, consistent with Florida Statutes and Commission Rules. Such updated values included current estimates of fuel costs, avoided generation costs, and the impacts of current building codes and appliance efficiency standards. At the conclusion of the hearing and in consideration of all the evidence, the Commission decided that it was in the public interest to continue the conservation goals previously approved by the Commission in the 2014 Goal Setting Order for the period 2020-2024 instead of accepting the analyses, supporting data, and resulting proposed goals presented in the 2019 proceeding. In the 2019 Goal Setting Order, the Commission found:

Although the evidence and arguments presented in this proceeding indicate that it is necessary to revisit the FEECA process, we recognize our responsibility to review the FEECA Utilities' goals at least every five years. Section 366.82(3), F.S., and Rule 25-17.0021, Florida Administrative Code (F.A.C.), Goals for Electric Utilities, outline the multiple factors we must consider when developing conservation goals.

We have completed our statutorily required review and considered the points set forth in the statute and our rule. Having heard evidence and arguments in this 2019 proceeding, we find that it is in the public interest to continue with the goals set in the last FEECA proceeding pursuant to the 2014 Goalsetting Order. The breakdown of annual goals that we set in 2014 for each of the utilities that will carry forward is included in Attachment B. We will continue the review of the FEECA process for potential revisions as may be appropriate for the forthcoming five-year period.<sup>4</sup>

Section 366.82(6), F.S., allows the Commission to change the goals for reasonable cause. Based on concerns with the updated data and the corresponding results of the process, the Commission decided it was in the public interest not to modify existing goals and to revisit the FEECA process. In reviewing plans and programs, Section 366.82(7), F.S., allows the Commission to require modifications or additions to an IOU's plans and programs at any time it is in the public interest consistent with FEECA. The Commission will review updated cost-effectiveness analyses during the next Goal Setting proceeding.

### **Review of Proposed DSM Plans**

Pursuant to Rule 25-17.0021(4), F.A.C., the IOUs filed proposed 2020 DSM Plans in an attempt to comply with the 2019 Goal Setting Order. The criteria used to review the appropriateness of conservation programs are as follows: (1) whether programs advance the policy objectives of FEECA and its implementing rules; (2) whether programs are directly monitorable and yield measurable results; and (3) whether programs are cost-effective.<sup>5</sup>

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<sup>4</sup> Order No. PSC-2019-0509-FOF-EG at p. 5.

<sup>5</sup> PSC Order No. 22176, issued November 14, 1989, Docket No. 19890737-PU, *In re: Implementation of Section 366.80-.85, F.S., Conservation Activities of Electric and Natural Gas Utilities.*

In 2015, the Commission approved DSM Plans for each of the IOUs which included proposed programs designed to meet the approved goals for the period 2015 through 2024.<sup>6</sup> In 2015, the Commission determined that the IOUs' now-existing programs met the three criteria discussed above. A brief description of each existing program is included as Attachment A to this recommendation.

As described previously, the Commission did not accept the IOU's analyses, supporting data, and proposed goals in the 2019 Goal Setting proceeding, and instead ordered the continuation of the goals for 2020-2024 that were established in the 2014 Goal Setting proceeding. The currently proposed DSM plans and programs by the IOUs are based upon similar supporting data of individual DSM measures that was not accepted by the Commission in the 2019 Goal Setting proceeding. This has resulted in divergent results among the IOUs regarding cost-effectiveness of individual DSM programs that consist of one or more individual DSM measure. The proposed DSM plans and programs are described below.

### ***FPUC***

FPUC's proposed DSM Plan would continue all five existing programs: two residential and three commercial/industrial and is projected to meet its approved conservation goals. FPUC has proposed some modifications to expand the educational and outreach approaches for commercial and low-income customers. As required by Rule 25-17.003, F.A.C., FPUC's DSM Plan continues to offer energy audits to residential customers. All five programs fail the Rate Impact Measure (RIM) test under current economic assumptions. The monthly Energy Conservation Cost Recovery (ECCR) factor (1,000 kWh) is projected to go from \$1.02 in 2018 to \$1.01 in 2021.

### ***DEF***

DEF's proposed DSM Plan consists of 13 programs: five residential, three commercial/industrial, three demand response, one research and development, and one qualifying facility program and is projected to meet its approved conservation goals. DEF has proposed to continue eight existing programs unchanged and modify five existing programs. As required by Rule 25-17.003, F.A.C., DEF's DSM Plan continues to offer energy audits to residential customers, and DEF also continues to voluntarily offer audits to commercial/industrial customers.

DEF proposes to add the Home Energy Management System measure to its Residential Incentive Program to incentivize the installation of home energy management technologies. DEF also proposes to add the 16 SEER Air Conditioner measure to multiple residential programs. DEF also proposes changes to incentive amounts for some of its programs. For example, the Residential Single Family Duct Repair measure had its incentive increased from a maximum of \$150 to \$200 to reflect that the measure could no longer be used by multi-family or manufactured homes. DEF is expanding its low-income program to include air conditioning rebates up to \$1,600. All proposed programs pass the RIM and participant tests under current economic assumptions. The monthly ECCR factor (1,000 kWh) is projected to go from \$2.28 in 2018 to \$3.24 in 2021.

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<sup>6</sup> See Order Nos. PSC-15-0331-PAA-EG, PSC-15-0332-PAA-EG, PSC-15-0323-PAA-EG, PSC-15-0330-PAA-EG, and PSC-15-0326-PAA-EG, for FPL, DEF, TECO, Gulf, and FPUC respectively.

### **TECO**

TECO's DSM Plan consists of 37 programs: 16 residential and 21 commercial/industrial and is projected to meet its approved conservation goals. TECO has proposed to discontinue nine existing programs, continue 15 existing programs unchanged, modify 15 existing programs, and add seven new programs. As required by Rule 25-17.003, F.A.C., TECO's DSM Plan continues to offer energy audits to residential customers, and TECO also continues to voluntarily offer audits to commercial/industrial customers.

TECO proposes to discontinue the Residential Electronically Commutated Motors (ECM), Residential Wall Insulation, Commercial Ceiling Insulation, Commercial Cool Roof, Commercial Duct Repair, Commercial ECM, Commercial Refrigeration Anti-Condensate Control, Commercial Thermal Energy Storage, and Commercial Wall Insulation programs.

TECO proposes to reduce the Residential Duct Repair program's rebate from a maximum of \$165 to a maximum of \$125. Also, TECO proposes to increase the Commercial Cooling program's rebate from \$11 per ton of qualifying air conditioning installed to \$19 per ton.

TECO proposes to modify its low-income program to support educating customers on renewable energy systems and other technologies, such as opportunities to conserve with the use of batteries or electric vehicle charging. TECO also proposes a modification to its Neighborhood Weatherization program to remove the offering of a water heater wrap as one of the measures within the energy efficiency kit.

TECO also proposes to add seven new programs to its DSM Plan. These programs are as follows: Residential ENERGY STAR Smart Thermostat, Residential ENERGY STAR Pool Pump, Residential Prime Time Plus, Commercial Facility Energy Management System, Commercial Smart Thermostat, and Commercial Variable Frequency Drive Control for Compressors.

The final new program TECO is proposing is a five-year Pilot program intended to study the capabilities and DSM opportunities of a fully integrated renewable energy system. The integrated renewable energy system would include an approximate 800 kW photovoltaic array, two 250 kW batteries, and several electric vehicle charging systems to charge electric vehicles, industrial vehicles, and auxiliary industrial vehicle batteries. The program is projected to cost approximately \$4 million over the five-year period.

Two out of 37 total programs fail the RIM test, the low-income and education programs. One program fails the participant test, the residential heating and cooling program. The low-income program is the second largest expenditure at about 12 percent (\$5.3 million in 2021) of TECO's proposed DSM Plan total costs. If these three programs were not approved for cost-recovery, TECO's DSM Plan is still projected to meet its approved conservation goals. The monthly ECCR factor (1,000 kWh) is projected to go from \$2.46 in 2018 to \$2.75 in 2021.

### **FPL**

FPL's proposed DSM Plan consists of 15 programs: six residential, seven commercial/industrial, one research, and one qualifying facility program and is projected to meet its approved

conservation goals. FPL has proposed to continue 11 existing programs unchanged and modify four existing programs. In addition, FPL proposes to cap participation in DSM programs for a class of customers once all three annual goals (summer peak demand, winter peak demand, and annual energy) are met for that class during a year. As required by Rule 25-17.003, F.A.C., FPL's DSM Plan continues to offer energy audits to residential customers, while the company continues to voluntarily offer audits to commercial/industrial customers.

FPL proposes several changes to its Residential Load Management (On Call<sup>®</sup>) program. FPL proposes to require new program participants to include their A/C units and central electric heaters, if any, among the selected appliances subject to load management. Prior program participants' appliance selections and eligibility requirements will remain unchanged. FPL also proposes to require that participants' premises be occupied for at least nine months of the year. FPL plans to reduce appliance-specific incentives for central electric A/C units, central electric heaters, and swimming pool pumps. Finally, FPL proposes to remove the optional cycling interruption schedule for central electric A/C units and central electric heaters for new participants.

Upon the effective date of new FPL base rates, currently anticipated by FPL to be January 1, 2022, FPL proposes to decrease the incentives associated with its Commercial/Industrial Demand Reduction (CDR) and Commercial/Industrial Load Control (CILC) programs. FPL plans to reduce the CDR program's monthly bill credit from its current rate of \$8.65 per kilowatt (kW) to \$6.09 per kW, a reduction of approximately 30 percent. FPL intends to apply this same percent reduction to all rate differential incentives provided by the CILC program. While the CILC program was closed to new participants on December 31, 2000, this incentive change would affect the legacy participants still receiving service under the program. FPL would file revised CDR and CILC tariff sheets reflecting these changes at a later time, prior to the termination of FPL's 2016 base rate case settlement agreement.

Six out of 15 of FPL's proposed DSM programs fail the RIM test. FPL's low-income participation is expected to increase three-fold, but has no changes in offered measures. The costs of all six RIM failing programs account for approximately 9.3 percent of FPL's proposed DSM Plan total costs. If all six programs were not approved for cost-recovery, FPL would not meet its approved conservation goals. The monthly ECCR factor (1,000 kWh) is projected to go from \$1.53 in 2018 to \$1.54 in 2021.

### **GULF**

Gulf's proposed DSM Plan consists of 11 programs: six residential, four commercial/industrial, and one research program and is projected to meet its approved conservation goals. Gulf has proposed to discontinue six existing programs, add four new programs, continue five existing programs unchanged and modify two existing programs. Similar to FPL's proposal, Gulf proposes to cap participation in DSM programs for a class of customers once all three annual goals (summer peak demand, winter peak demand, and annual energy) are met for that class during a year. As required by Rule 25-17.003, F.A.C., Gulf's DSM Plan continues to offer energy audits to residential customers, while the company continues to voluntarily offer audits to commercial/industrial customers. Both of Gulf's audit programs have been modified only to change their names.



Gulf proposes to discontinue six existing programs but replace three of them with two new programs. The proposed Residential HVAC program is designed to replace Gulf's existing HVAC Efficiency program. The proposed Business HVAC program is designed to replace Gulf's existing Commercial HVAC Efficiency Improvement and Commercial Building Efficiency programs. Gulf is proposing to add two new programs to its DSM portfolio, the Residential Ceiling Insulation program and the Residential High Efficiency Pool Pump program.

Ten out of 11 programs fail the RIM test. The Curtailable Load program passes the RIM test only because the program's credit is established each year in the ECCR proceeding. Gulf's low-income program accounts for approximately 10 percent of Gulf's DSM Plan total costs. All RIM failing programs account for 77 percent of total DSM Plan costs. If all programs that fail the RIM test are not approved for cost recovery, Gulf would not meet its approved conservation goals. The monthly ECCR factor (1,000 kWh) is projected to go from \$1.40 in 2018 to \$1.09 in 2021.

### ***Summary of Recommendation***

As described above, the IOU's proposed DSM plans and programs present the Commission with divergent results. Application of the long-established criteria used to evaluate the proposed DSM programs, and in particular the cost-effectiveness criteria that is a central tenet to FEECA, would result in DSM plans that are not projected to meet the Commission approved goals. Staff recommends that, consistent with the 2019 Goals Order, the Commission should continue the IOU's existing DSM plans and programs that are based upon the underlying data and analyses used to establish the current goals. The IOU's current DSM plans and programs met the criteria for approval by the Commission, including approval for cost recovery through the Energy Conservation Cost Recovery clause. Also, the current DSM plans and programs are designed to meet the current Commission approved goals.

The IOU's proposed DSM plans include both modifications to existing programs and new programs, including pilot programs. Staff's recommendation to continue the existing DSM plans and programs, if accepted by the Commission, should not preclude an IOU from proposing future modifications or additions to the DSM plans. The Commission would evaluate any future proposed modification or addition based upon the long-established criteria used to determine whether to approve such a modification or addition for cost recovery.

As discussed in more detail below, staff is also recommending initiating rulemaking to explore process improvements regarding future goal setting and program approval proceedings.

### **Evaluation of FEECA Process**

The 2019 Goal Setting proceeding resulted in the Commission finding that it was necessary to revisit the FEECA process. Pursuant to the 2019 Goal Setting Order, staff has explored potential revisions to the FEECA process. The Commission's rule establishes a bifurcated process for Goal Setting, and DSM Plan and program approval.<sup>7</sup> By its nature, there is a lack of a direct relationship between these two separate processes. Numeric goals are disconnected from the actual energy and demand savings that result from customer participation in DSM programs.

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<sup>7</sup> Rule 25-17.0021, F.A.C.

Currently, the Goal Setting process starts with the identification of feasible DSM measures and an analysis of the technical potential savings of these measures without regard to cost-effectiveness or customer acceptance. Further analyses are conducted in which economic and achievable potential savings for individual DSM measures are determined. The numeric goals established by the Commission are based upon the projected energy and demand savings from cost-effective individual DSM measures. Goal Setting is a time consuming, resource intensive process that has proven over time to leave the Commission with limited options.

Once the goals are established, the IOUs must design DSM programs and submit the DSM Plans for Commission approval. The DSM programs may include one or more of the individual DSM measures that were analyzed in the Goal Setting process. A DSM Plan, which is the combination of all DSM programs, is not required to include each individual DSM measure that formed the basis for an IOU's numeric goals established by the Commission. Those programs approved for cost-recovery through the Energy Conservation Cost-Recovery clause may then be offered to eligible customers. Actual energy and demand savings resulting from customer participation in DSM programs are used to annually assess an IOU's performance compared to its numeric goals. Since individual measures that form the basis for a utility's numeric conservation goal may not be included in a utility's DSM program, the annual goal assessment process highlights the disconnect between the Goal Setting process, and the DSM Plan and program approval process. The bifurcated nature of the Goal Setting, and DSM Plan and program approval processes has created a tension for many years.

Therefore, staff recommends initiating rulemaking to explore potential revisions that would consolidate the Goal Setting and DSM Plan processes. Consolidation should establish a more clear relationship between individual DSM measures and DSM programs. The resulting energy and demand savings from DSM programs should form the basis for numeric goals and provide a more direct basis for assessing IOU performance. Consolidation should also provide the Commission with more flexibility and enhanced transparency in its review of the IOUs' analyses of individual DSM measures, proposed DSM programs and proposed numeric goals. Potential benefits of combining the two proceedings are administrative cost savings from a more streamlined and efficient process, reduced litigation, and reduced discovery requests. If so directed, staff would begin the rulemaking process immediately after the vote on this item and will strive to have any rule amendments codified and implemented in time for use during the next DSM goals proceeding.

## **Conclusion**

The Commission's 2019 Goal Setting Order continued goals based on the 2014 Goal Setting Order. The continuation of the IOUs' existing programs is adequate to meet the 2019 Goal Setting Order. Therefore, staff recommends that the Commission continue the existing programs, previously approved by the Commission. If an IOU desires to propose a new or modified DSM program, it should file a separate petition to be evaluated on a case-by-case basis. In an effort to improve the overall Goal Setting and plan approval process, staff recommends initiating rulemaking to explore possible rule revisions that would consolidate the FEECA Goal Setting and DSM Plan proceedings.

**Issue 2:** Should this docket be closed?

**Recommendation:** Yes. This docket should be closed upon issuance of a consummating order, unless a person whose substantial interests are affected by the Commission's decision files a protest within 21 days of the issuance of the Commission's Proposed Agency Action Order. (Murphy, Passidomo, Weisenfeld)

**Staff Analysis:** This docket should be closed upon issuance of a consummating order, unless a person whose substantial interests are affected by the Commission's decision files a protest within 21 days of the issuance of the Commission's Proposed Agency Action Order.

## **IOU's Conservation Program Descriptions**

### **Florida Power & Light Company**

#### **Residential Programs**

##### **Residential Home Energy Survey**

The Residential Home Energy Survey Program encourages implementation of recommended energy efficiency measures, even if they are not included in FPL's DSM programs. The Residential Home Energy Survey Program also identifies FPL DSM programs that could be appropriate considering the residential customers' home layouts and electricity usage patterns. FPL offers in-home, phone-assisted, and online audits for its residential customers.

##### **Residential Ceiling Insulation**

The Residential Ceiling Insulation Program encourages customers to improve their homes' thermal efficiency.

##### **Residential Air Conditioning**

The Residential Air Conditioning Program encourages customers to install high-efficiency central air conditioning systems.

##### **Residential New Construction (BuildSmart)**

The Residential New Construction Program encourages builders and developers to design and construct new homes that achieve BuildSmart certification and move towards ENERGY STAR qualifications.

##### **Residential Low-Income**

The Residential Low-Income Program assists low-income customers through state Weatherization Assistance Provider ("WAP") agencies and FPL conducted energy retrofits.

##### **Residential Load Management (On Call)**

The Residential Load Management Program allows FPL to turn off certain customer-selected appliances using FPL-installed equipment during periods of extreme demand, capacity shortages, or system emergencies.

#### **Commercial/Industrial Programs**

##### **Business Energy Evaluation**

The Business Energy Evaluation Program educates customers on energy efficiency and encourages implementation of recommended practices and measures, even if these are not included in FPL's DSM programs. The Business Energy Evaluation is also used to identify potential opportunities to implement for other FPL DSM programs. FPL offers the Business Energy Evaluation in on-site or online formats.

**Business Lighting**

The Business Lighting Program encourages customers to install high-efficiency lighting systems.

**Business Heating, Ventilating, and Air Conditioning (HVAC)**

The Business HVAC program encourages customers to install high-efficiency HVAC systems.

**Business Custom Incentive**

The Business Custom Incentive Program encourages customers to install unique high-efficiency technologies not covered by other FPL DSM programs.

**Business On Call**

The Business On Call Program allows FPL to turn off customers' direct expansion central air conditioning units using FPL-installed equipment during periods of extreme demand, capacity shortages, or system emergencies.

**Commercial/Industrial Load Control (CILC)**

The Commercial/Industrial Load Control Program allows FPL to control customer loads of 200 kW or greater during periods of extreme demand, capacity shortages, or system emergencies. The CILC Program was closed to new participants as of 2000.

**Commercial/Industrial Demand Reduction (CDR)**

The Commercial/Industrial Demand Reduction Program allows FPL to control customer loads of 200 kW or greater during periods of extreme demand, capacity shortages, or system emergencies. FPL installs a load management device at the customer's facility and provides monthly credits to customers. Unlike the CILC program, the CDR program is still open to new customers.

**Cogeneration & Small Power Production**

The Cogeneration and Small Power Production Program facilitates the interconnection and administration of contracts for cogenerators and small power producers.

**Research and Development Programs**

**Conservation Research and Development (CRD)**

Under Conservation Research and Development, FPL conducts research projects to identify, evaluate, and quantify the impact of new energy efficient technologies. FPL uses the findings to potentially add new energy efficient technologies to DSM programs.

## **Duke Energy Florida, LLC**

### **Residential Programs**

#### **Home Energy Check**

The Home Energy Check is a residential energy audit program that provides residential customers with an analysis of their energy consumption and educational information on how to reduce energy usage and save money. DEF offers walkthrough, online, and phone-assisted audits for its residential customers.

#### **Residential Incentive**

The Residential Incentive Program provides incentives to residential customers for energy efficiency improvements in both existing and new homes.

#### **Low-Income Weatherization Assistance Program**

The Low-Income Weatherization Assistance Program works with the Florida Department of Economic Opportunity and local weatherization providers to deliver energy education, efficiency measures, and incentives to weatherize the homes of low-income families.

#### **Neighborhood Energy Saver**

The Neighborhood Energy Saver Program installs energy conservation measures, identified through an energy assessment, in the homes of customers in selected neighborhoods where at least 50 percent of households have incomes equal to or less than 200 percent of the poverty level established by the U.S. government.

#### **Residential Energy Management**

The Residential Energy Management Program uses direct control of customer equipment to reduce system demand during winter and summer peak capacity periods by temporarily interrupting select customer appliances.

### **Commercial/Industrial Programs**

#### **Business Energy Check**

The Business Energy Check Program provides no-cost energy audits at non-residential facilities either over the phone or at the customer's facility.

#### **Commercial Energy Management**

The Commercial Energy Management Program uses direct control of customer equipment to reduce system demand during winter and summer peak capacity periods. The Commercial Energy Management Program was closed to new participants in 2000, but is still open for existing participants.

### **Better Business**

Better Business is an umbrella efficiency program that provides incentives to existing C/I and government customers for HVAC, roof insulation, duct leakage and repair, demand-control ventilation, and cool roof coating.

### **Florida Custom Incentive**

The Florida Custom Incentive Program provides incentives for individual custom projects, such as new construction measures or thermal energy storage systems, that are cost effective but not addressed by DEF's other programs.

### **Standby Generation**

The Standby Generation Program is a demand control program that reduces DEF's system demand based on control of customer equipment. This program is available to C/I customers who have on-site generation capability and are willing to reduce demand on DEF's system when requests for system reliability purposes.

### **Interruptible Service**

Interruptible Service is a direct load control DSM program in which customers allow DEF to interrupt their electrical service during times of capacity shortages based on peak or emergency conditions. In return, customers receive a monthly bill credit.

### **Curtailable Service**

Curtailable Service is an indirect load control DSM program in which customers contract to curtail all or a portion of their electricity demand during times of capacity shortages. In contrast to the Interruptible Service Program, the customer, instead of DEF, controls whether or not the customer's appliances are turned off during times of stress on the grid. In return, customers receive a monthly bill credit.

### **Qualifying Facility**

The Qualifying Facility Program supports the interconnection and purchase of as-available energy as well as firm energy and capacity from qualifying facilities including those that use renewable energy and distributed energy resources.

## **Research and Development Programs**

### **Technology Development**

The Technology Development Program allows DEF to investigate technologies that hold promise for cost-effective demand reduction and energy efficiency. DEF will investigate variable capacity heat pump air conditioners, building automated energy efficiency and demand response, energy management circuit breakers, and more.

## **Florida Public Utilities Company**

### **Residential Programs**

#### **Residential Energy Survey**

In the Residential Energy Survey Program, FPUC provides the customer with specific whole-house energy efficiency recommendations. FPUC also provides customers with lists of blower-door test contractors who can check for duct leakage. Finally, FPUC provides the customer with a conservation kit. FPUC offers in-home and online audits to its residential customers.

#### **Residential Heating and Cooling Efficiency Upgrade**

The Residential Heating and Cooling Upgrade Program incentivize customers operating inefficient heat pumps and air conditioners to replace them with more efficient units. The program incentivizes also customers to install a new heat pump. Finally, the program incentivizes customers who are replacing older heat pumps or air conditioners with more efficient heat pump or air conditioners.

#### **Low-Income Energy Outreach**

The Low-Income Energy Outreach Program partners with Department of Economic Opportunity approved Low-Income Weatherization Program operators to offer Residential Energy Surveys, distributing energy conservation materials, and more.

### **Commercial Programs**

#### **Commercial Energy Consultation**

In the Commercial Energy Consultation Program, FPUC energy conservation representatives conduct commercial site visits to assess the potential for applicable DSM programs, educate customers about FPUC's commercial DSM programs, and more.

#### **Commercial Heating and Cooling Efficiency Upgrade**

The Commercial Heating and Cooling Upgrade Program provides rebates to small commercial customers (customers with a maximum of 5 ton units) if the customers install a high-efficiency central air conditioner or heat pump with a minimum 15 SEER.

#### **Commercial Reflective Roof**

The Commercial Reflective Roof Program provides rebates to non-residential customers who convert or install a new cool roof on an existing or new building. The rebates cover up to 25 percent of the added upfront cost of building a cool roof compared to an alternative roof.

#### **Commercial Chiller Upgrade**

The Commercial Chiller Upgrade Program offers customers an incentive of up to \$175/kW of savings above minimum efficiency levels.



## **Research and Development Programs**

### **Conservation Demonstration and Development**

The Conservation Demonstration and Development Program researches energy efficiency and conservation projects to identify, develop, demonstrate, and evaluate promising end-use energy efficient technologies across a wide variety of applications.

## **Gulf Power Company**

### **Residential Programs**

#### **Residential Energy Audit and Education**

The Residential Energy Audit and Education Program is the primary educational program to help customers improve the energy efficiency of their new or existing home. The program provides energy conservation advice and information that encourages the implementation of efficiency measures and behaviors that result in electricity bill savings. Gulf offers its residential customers in-home and online audits.

#### **Community Energy Saver (Low-Income)**

The Community Energy Saver Program installs energy conservation measures in the homes of low-income families at no cost to the customers. The program also educates families on behavioral changes designed to save money by decreasing energy use.

#### **Residential Custom Incentive**

The Residential Custom Incentive Program aims to increase energy efficiency in the residential rental property sector. The program promotes the installation of efficiency measures available through other programs, such as HVAC maintenance and quality installation, high performance windows, and reflective roofing. As suitable, the program has other incentives to surmount the split-incentive barrier in a landlord/renter situation.

#### **HVAC Efficiency Improvement**

The HVAC Efficiency Improvement Program aims to increase energy efficiency and improve HVAC cooling system performance for new and existing homes. Gulf increases efficiency through HVAC maintenance, duct repair, and HVAC quality installation.

#### **Residential Building Efficiency**

The Residential Building Efficiency Program is an umbrella efficiency program for existing and new residential customers to install eligible equipment such as high performance windows, reflective roof, and ENERGY STAR window air conditioners. The goals are to increase customer demand for energy efficient technologies and to create long-term energy savings and peak demand reduction.

#### **Energy Select**

The Energy *Select* Program gives customers a way to manage their energy consumption by programming their heating and cooling systems and major appliances, such as electric

water heaters and pool pumps, to respond automatically to prices that vary during the day and by season in relation to Gulf's cost of producing or purchasing energy.

### **Residential Service Time of Use Pilot**

The Residential Service Time of Use Pilot Program provides residential customers the opportunity to use customer-owned equipment to respond automatically and take advantage of a variable pricing structure with a critical peak component. The pilot will be offered to 400 residential customers. The goal is to measure customers' response, with customer owned equipment, to a variable electricity price.

## **Commercial Programs**

### **Commercial/Industrial Audit**

The Commercial/Industrial Audit Program provides advice to Gulf's existing C/I customers on how to reduce energy consumption. The program ranges from an Energy Analysis Audit and walk-through surveys to a Technical Assistance Audit and computer programs that simulate options for very large, energy-intensive customers. Gulf offers this audit in the form of an on-site walkthrough.

### **Commercial HVAC Retrocommissioning**

The Commercial HVAC Retrocommissioning program offers retrocommissioning at a reduced cost for qualifying installations by C/I customers. Retrocommissioning is a process of identifying suboptimal performance in a facility's systems and replacing the outdated equipment.

### **Commercial Building Efficiency**

The Commercial Building Efficiency Program is an umbrella efficiency program for C/I customers to encourage the installation of high-efficiency equipment in order to reduce energy and demand. The high-efficiency equipment is focused on commercial geothermal heat pumps, ceiling/roof insulation, and reflective roofs.

### **Commercial/Industrial Custom Incentive**

The Commercial/Industrial Custom Incentive Program offers energy efficient end-user equipment to C/I customers. The C/I Custom Incentive Program also offers energy services such as comprehensive audits, design, and construction of energy conservation projects. Covered projects include demand reduction or energy improvement retrofits that are beyond the scope of other DSM programs.

### **Critical Peak Option**

This program allows customers on Gulf's Large Power Time-of-Use rate schedule an option to receive credits for capacity that can be reduced during peak load conditions. The program provides a fixed, per-kW credit for measured on-peak demand and a charge for any measured demand recorded during a called critical peak event.

## **Research and Development Programs**

### **Conservation Demonstration and Development**

The Conservation Demonstration and Development Program is an umbrella program for the identification, development, and evaluation of end-use energy efficient technologies.

## **Tampa Electric Company Residential Programs**

### **Residential Energy Audits**

The Residential Energy Audits Program includes a walk-through free energy check, a customer-assisted energy audit, a computer-assisted paid energy audit, and a building energy ratings system (BERS) audit.

### **Residential Ceiling Insulation**

The Residential Ceiling Insulation Program offers rebates to existing residential customers to install additional ceiling insulation in existing homes.

### **Residential Duct Repair**

The Residential Duct Repair Program encourages residential customers to repair leaky duct work of central air conditioning systems in existing homes.

### **Residential Electronically Commutated Motors (ECM)**

The Residential Electronically Commutated Motors Program encourages residential customers to replace their existing HVAC air handler motors with more efficient ECMs.

### **Energy Education, Awareness, and Agency Outreach**

The Energy Education, Awareness, and Agency Outreach Program engages and educates groups of customers and students on energy efficiency in an organized setting. Also, participants receive an energy savings kit with energy saving devices and information.

### **ENERGY STAR for New Multi-Family Residences**

The ENERGY STAR for Multi-Family Residences Program utilizes a rebate to encourage construction of new multi-family residences that meet the requirements to achieve the ENERGY STAR certified apartments and condominiums label.

### **ENERGY STAR for New Homes**

The ENERGY STAR for New Homes Program incentivizes residential customers to build homes that qualify for the ENERGY STAR award by achieving energy efficiency levels greater than current Florida building code baseline practices.

### **Residential Heating and Cooling**

The Residential Heating and Cooling Program offers rebates to residential customers for installing high-efficiency heating and cooling equipment in existing homes.

### **Neighborhood Weatherization (Low-Income)**

The Neighborhood Weatherization Program provides for the installation of energy efficient measures for qualified low-income customers.

### **Renewable Energy**

The Renewable Energy Program delivers renewable energy options to TECO's customers through program administration, renewable electricity generation, evaluation of potential new renewable sources, and market research.

### **Residential Price Responsive Load Management (Energy Planner)**

The Residential Price Responsive Load Management (Energy Planner) Program reduces weather-sensitive loads through an innovative price responsive rate. The price responsive rate encourages residential customers to make behavioral or equipment usage changes by pre-programming HVAC, water heating, and pool pumps.

### **Residential Wall Insulation**

The Residential Wall Insulation Program offers rebates to existing residential customers to install additional wall insulation in existing homes.

### **Residential Window Replacement**

The Residential Window Replacement Program offers rebates to existing residential customers to install window upgrades in existing homes.

## **Commercial Programs**

### **Commercial/Industrial Energy Audits**

In the C/I Energy Audits Program, C/I customers can receive more limited free energy audits or comprehensive paid energy audits.

### **Commercial Ceiling Insulation**

The Commercial Ceiling Insulation Program incentivizes C/I customers to install additional ceiling insulation in existing commercial buildings.

### **Commercial Chiller**

The Commercial Chiller Program offers rebates to C/I customers for installing high efficiency chiller equipment.

### **Cogeneration**

The Cogeneration Program incentivizes large industrial customers with waste heat or fuel resources to use their onsite energy to avoid fuel waste and install electric generating equipment. The large industrial customers may sell their surplus electric generation to TECO.

**Conservation Value**

The Conservation Value Program offers rebates to C/I customers to invest in energy conservation measures that are not in other C/I programs.

**Commercial Cool Roof**

The Commercial Cool Roof Program encourages C/I customers to install a cool roof system above conditioned spaces.

**Commercial Cooling**

The Commercial Cooling Program encourages C/I customers to install high efficiency direct expansion commercial air conditioning cooling equipment.

**Demand Response**

The Demand Response Program incentivizes C/I customers to reduce electricity demand at certain peak times.

**Commercial Duct Repair**

The Commercial Duct Repair Program encourages C/I customers to repair leaky ductwork of central air conditioning systems in existing C/I facilities.

**Commercial Electronically Commutated Motors (ECM)**

The Commercial Electronically Commutated Motors Program encourages C/I customers to replace air handler motors or refrigeration fan motors with ECMs.

**Industrial Load Management (GSLM 2&3)**

The Industrial Load Management Program incentivizes large industrial customers to allow TECO to interrupt part of or their entire electrical service during periods of peak stress on the grid.

**Lighting Conditioned Space**

The Lighting Conditioned Space Program encourages C/I customers to invest in more efficient lighting technologies in existing conditioned areas of C/I facilities.

**Lighting Non-Conditioned Space**

The Lighting Non-Conditioned Space Program encourages C/I customers to invest in more efficient lighting technologies in existing non-conditioned areas of C/I facilities.

**Lighting Occupancy Sensors**

The Lighting Occupancy Sensors Program encourages C/I customers to install occupancy sensors to control C/I lighting systems.

**Commercial Load Management**

The Commercial Load Management Program incentivizes C/I customers to allow TECO to control weather-sensitive heating, cooling, and water heating systems to reduce the associated weather-sensitive peak demand.

**Refrigeration Anti-Condensate Control**

The Refrigeration Anti-Condensate Control Program encourages C/I customers to install anti-condensate equipment sensors within refrigerated door systems.

**Standby Generator**

The Standby Generator Program incentivizes C/I customers to use available emergency electrical generation capacity in order to reduce weather-sensitive peak demand on the grid.

**Thermal Energy Storage**

The Thermal Energy Storage Program encourages C/I customers to install an off-peak air conditioning system.

**Commercial Wall Insulation**

The Commercial Wall Insulation Program encourages C/I customers to install wall insulation in existing C/I structures.

**Commercial Water Heating**

The Commercial Water Heating Program encourages C/I customers to install high efficiency water heating systems.

**Research and Development**

**Conservation Research and Development (R&D)**

The Conservation Research and Development Program allows TECO to explore DSM measures that have insufficient data on cost-effectiveness and the impact on TECO's ratepayers.