

State of 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-**

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**DATE:** October 21, 2021

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

**FROM:** Division of Engineering (Wooten, Ellis, King) *TB*  
Division of Economics (Barrett) *JGH*  
Division of Accounting and Finance (Sewards, Mouring) *ALM*  
Office of the General Counsel (Imig, Trierweiler) *TLT*

**RE:** Docket No. 20210132-EG – Petition of Florida Power & Light Company for approval to integrate 2020-2024 demand-side management plans and approval of regulatory asset.

**AGENDA:** 11/02/21 – Regular Agenda – Proposed Agency Action – Interested Persons May Participate

**COMMISSIONERS ASSIGNED:** All Commissioners

**PREHEARING OFFICER:** Administrative

**CRITICAL DATES:** None

**SPECIAL INSTRUCTIONS:** None

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## Case Background

The Florida Energy Efficiency and Conservation Act (FEECA) requires the Florida Public Service Commission (Commission) 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), Florida Statutes (F.S.), and Rule 25-17.0021, Florida Administrative Code (F.A.C.).

The Commission conducted a five-year review in 2019 and established conservation goals for all Investor-Owned Utilities (IOU), including Florida Power & Light Company (FPL or Company) and Gulf Power Company (Gulf), by Order No. PSC-2019-0509-FOF-EG, issued November 26, 2019.<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 2014 FEECA Goal Setting proceeding for the period 2020 through 2024.<sup>2</sup>

On August 3, 2020, the Commission approved Demand Side Management (DSM) plans for FPL and Gulf by Order No. PSC-2020-0274-PAA-EG to meet their respective 2020-2024 combined summer megawatts (MW), winter MW and annual gigawatt-hours (GWh) savings goals for the residential and commercial/industrial sectors established by the Commission. On March 12, 2021, a petition for rate increase by FPL was filed in Docket No. 20210015-EI, and it reflects a consolidated cost of service and provides for unified rates that apply to all customers throughout the FPL and former Gulf service areas. If approved FPL and Gulf will be fully merged with and into FPL; and, Gulf will cease to exist as a separate operational and ratemaking entity. Until a decision is made by the Commission on this matter, FPL and Gulf are separate entities, with separate conservation goals and DSM plans. The Commission will have an opportunity to review this issue at the October 26, 2021 Special Agenda Conference.

Contingent upon the Commission's approval of FPL's pending request for unified rates in Docket No. 20210015-EI, the instant petition seeks approval to combine and integrate the existing DSM plans between FPL and Gulf into a single DSM plan (Integrated DSM Plan) and update associated program standards. The Integrated DSM Plan meets the combined FPL and Gulf 2022-2024 goals by merging the two DSM plans and will integrate the FPL and Gulf programs into one set of DSM programs that would apply throughout the FPL and former Gulf service areas. The Integrated DSM Plan discontinues two of Gulf's legacy programs, Residential Pool Pump and Energy Select. This petition also seeks to approve the creation of a regulatory asset for unrecovered investment for the retired Energy Select program. Recovery of the regulatory asset would be collected through the Energy Conservation Cost Recovery (ECCR) clause.

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

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In the event that the Commission denies FPL's pending request for unified rates in Docket No. 20210015-EI, the two utilities would revert to their current plans and this petition would be rendered unnecessary. The Commission has jurisdiction over these matters pursuant to Sections 366.80 through 366.83 and 403.519, F.S.

## Discussion of Issues

**Issue 1:** If the Commission approves FPL's pending request for unified rates in Docket No. 20210015-EI, should the Commission also approve FPL's proposed Integrated DSM Plan, associated updated Program Standards and the Company's proposal to create a regulatory asset associated with Gulf's Energy Select DSM program?

**Recommendation:** Yes. FPL's Integrated DSM Plan is the combination of FPL and Gulf's previously approved DSM plans, and is projected to meet the conservation goals established in the 2019 FEECA Goal Setting proceeding. A brief description of each program included in the Integrated DSM Plan is included as Attachment A to this recommendation. Staff recommends that costs associated with the Integrated DSM Plan should be eligible for cost recovery through FPL's ECCR factor.

Based on staff's review, the retirement of capital assets associated with the Energy Select program should be approved and the associated unrecovered plant balance in the amount of \$22.7 million should be recorded as a regulatory asset. Additionally, the recovery of the regulatory asset through the ECCR over a 5-year period should also be approved.

If the Commission does not approve unified rates in Docket No. 20210015-EI, no action is needed to create a regulatory asset for the Energy Select program, and the existing DSM plans should be continued until the new DSM plans are approved by the Commission. (Wooten, Barrett)

**Staff Analysis:** On August 3, 2020, the Commission approved DSM plans for FPL and Gulf by Order No. PSC-2020-0274-PAA-EG. The criteria used to review the appropriateness of conservation programs are: (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>3</sup> As FPL's proposed Integrated DSM Plan must meet the criteria for conservation programs, FPL's Integrated DSM Plan programs must also be evaluated by these criteria. Staff has reviewed FPL's petition for approval of the Integrated DSM Plan and it appears to be consistent with these criteria.

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. By Order No. PSC-2019-0509-FOF-EG, the Commission decided that it was in the public interest to continue the conservation goals previously approved in the 2014 Goal Setting Order for the period 2020-2024, instead of accepting the proposed goals presented in the 2019 proceeding. The IOUs' 2020 DSM plans were proposed with the objective of meeting the 2014 conservation goals, which affected the programs' ability to most effectively meet the cost-effectiveness criteria. While many programs were not projected to be cost-effective using the Rate Impact Measure (RIM) test, the proposed 2020 DSM plans were projected to result in only minor rate increases. Therefore, the Commission decided the plans met the appropriateness of conservation

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<sup>3</sup>Order No. 22176, issued November 14, 1989, in Docket No. 19890737-PU, *In re: Implementation of Section 366.80-85, F.S., Conservation Activities of Electric and Natural Gas Utilities.*

programs criteria and the 2020 DSM plans were approved as filed.<sup>4</sup> In its instant petition FPL is proposing that the conservation goals for both FPL and Gulf be combined to create a new set of conservation goals. The Commission will have an opportunity to address new goals during the next goals setting proceeding. FPL and Gulf’s previously approved individual goals and the proposed combined goals for the Integrated DSM Plan are listed in Table 1-1.

**Table 1-1  
 Individual and Integrated DSM Plan Conservation Goals (at the Generator)**

Year	Summer Peak Demand (MW)			Winter Peak Demand (MW)			Annual Energy Consumption (GWh)		
	FPL	Gulf	Int.	FPL	Gulf	Int.	FPL	Gulf	Int.
<b>Residential</b>									
2022	27.6	8.1	<b>35.7</b>	17.2	4.6	<b>21.8</b>	26.5	8.3	<b>34.8</b>
2023	28.0	8.8	<b>36.8</b>	17.5	5.0	<b>22.5</b>	27.4	8.9	<b>36.3</b>
2024	28.5	9.3	<b>37.8</b>	17.8	5.3	<b>23.1</b>	28.3	9.5	<b>37.8</b>
<b>Commercial/Industrial</b>									
2022	27.1	0.9	<b>28.0</b>	16.9	0.3	<b>17.2</b>	31.6	3.0	<b>34.6</b>
2023	27.5	1.0	<b>28.5</b>	17.3	0.3	<b>17.6</b>	33.1	3.2	<b>36.3</b>
2024	28.0	1.1	<b>29.1</b>	17.7	0.3	<b>18.0</b>	34.7	3.4	<b>38.1</b>

Source: FPL’s Petition, Attachments A, B, and D

### Review of Proposed Integrated DSM Plan

FPL’s proposed Integrated DSM Plan consists of 16 programs: 6 residential programs, 8 business programs, 1 research program and 1 qualifying facility program. The Integrated DSM Plan is projected to meet the combined FPL and Gulf 2022-2024 Goals by integrating the two DSM plans into one set of DSM programs. FPL will not discontinue any programs from its existing DSM plan but proposes to modify four existing FPL programs. FPL has proposed to integrate one existing Gulf program that was not present in FPL’s existing DSM plan into the Integrated DSM Plan. The Company also proposes to discontinue Gulf’s existing Residential Pool Pump and Energy Select programs. 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. In the previously approved FPL DSM plan, 6 of the 15 programs failed the RIM test. In FPL’s Integrated DSM Plan, 7 of the 16 proposed DSM programs failed the RIM test. The list of programs in FPL’s Integrated DSM Plan and RIM test results are listed in Table 1-2.

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<sup>4</sup>Order No. PSC-2020-0274-PAA-EG, issued August 3, 2020, in Docket No. 20200053-EG, *In re: Petition for approval of demand-side management plan, by Tampa Electric Company*, Docket No. 20200054-EG, *In re: Petition for approval of proposed demand-side management plan, by Duke Energy Florida, LLC.*, Docket No. 20200055-EG, *In re: Petition for approval of proposed demand-side management plan, by Gulf Power Company.*, Docket No. 20200056-EG, *In re: 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, *In re: Petition for approval of demand-side management plan, by Florida Public Utilities Company.*

**Table 1-2  
 FPL Integrated DSM Plan Listing**

Program Name	Program Status			RIM Test Results	
	Existing	Modified	New	Existing	Integrated
<b>Residential Programs</b>					
Residential Energy Survey	x	x		N/A	N/A
Residential Load Management (On Call)	x			Pass	Pass
Residential Air Conditioning	x	x		Fail	Fail
Residential New Construction (BuildSmart )	x	x		Fail	Fail
Residential Ceiling Insulation	x	x		Fail	Fail
Residential Low Income	x	x		Fail	Fail
<b>Commercial/Industrial Programs</b>					
Business Energy Evaluation (BEE)	x	x		N/A	N/A
Business On Call	x			Pass	Fail
Commercial/Industrial Demand Reduction (CDR)	x			Pass	Pass
Commercial/Industrial Load Control (CILC)	x			N/A	N/A
Curtable Load (CL)			x	Pass	Pass
Business Heating, Ventilating & Air Conditioning (HVAC)	x	x		Fail	Fail
Business Lighting	x	x		Fail	Fail
<b>Research Programs</b>					
Conservation Research and Development (CRD)	x			N/A	N/A
<b>Qualifying Facility Programs</b>					
Cogeneration & Small Power Production	x			N/A	N/A

Source: FPL's Petition, Attachment C and D

***FPL Legacy Programs***

FPL proposes to modify both the Residential Energy Survey and Business Energy Evaluation programs by subsuming Gulf's previously available Residential Home Energy Survey and Business Energy Survey programs and increasing availability of FPL's programs to Gulf legacy customers.

FPL proposes to modify the Residential Air Conditioning program by incorporating Gulf's legacy program measure of heat pump, electric-driven air conditioning units in addition to the straight-cool, electric-driven units offered via FPL's existing program. Additionally, FPL proposes to expand program eligibility beyond single-family homes to include multi-family homes to align with the existing Gulf program standard.

FPL proposes to modify the HVAC program by making the Thermal Energy Storage measure available for Gulf's legacy area customers. FPL proposes to make its Residential New Construction, Business On Call, CDR and Business Lighting programs available to Gulf legacy area customers.

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FPL proposes to modify the Residential Ceiling Insulation program to simplify customer qualifications by removing the requirement that the house be constructed before 1982. FPL also proposes to modify the rebate from multiple tiers with rebate amounts ranging from \$95 to \$190 to a single tier with a rebate amount of \$220. This modification to the rebate amount was proposed by FPL in an effort to simplify the program's administration.

FPL proposes to modify the Residential Low Income program by continuing Gulf's legacy "Community Energy Saver" branding and creating channels to operate FPL's Weatherization Assistance Program agencies in Gulf legacy areas. FPL also proposes to add light-emitting diode (LED) lighting as a program measure in FPL areas.

### ***Gulf Legacy Programs***

FPL proposes to incorporate Gulf's legacy Curtailable Load (CL) program into the Integrated DSM Plan. The CL program will be closed to new participants and will only remain available to existing CL customers who meet the eligibility requirements. FPL proposes to adopt this program in an effort to maintain the previously established program in Gulf's legacy service territory. FPL did not calculate the cost-effectiveness of this program within the Integrated DSM Plan as the program is closed to new participants. In Gulf's previously approved DSM plan the CL program had a passing RIM score of 1.00.

FPL's proposal would include the discontinuation of Gulf's legacy Residential Pool Pump and Energy Select programs. FPL proposes to discontinue the Residential Pool Pump due to changes in Department of Energy (DOE) efficiency requirements, effective as of July 1, 2021, which effectively established variable speed pool pumps as the baseline standard for most in ground pool applications. This change results in no incremental savings that can be counted towards the Company's energy and demand savings goals from this program. This standard applies to newly manufactured pumps and allows continued installation of non-compliant pumps that are inventoried through distributors and dealers until the supply is depleted. FPL is proposing to continue this program through the end of 2021. Staff notes that the Residential Pool Pump program was developed when single-speed pool pumps were the baseline standard. Staff reviewed the DOE resources that apply to pool pumps and agrees with FPL's proposal to sunset this program.

The proposal to terminate the Energy Select program is attributed to limited equipment availability, decreasing customer interest, and that FPL's combined residential demand goals would be met more cost-effectively by the existing Residential Load Management program. Gulf has offered the Energy Select program in its DSM plan since 2000. When initially launched, the availability of in-home energy management equipment was very limited, and this program offered customers a new technology to help them save energy. As other innovations in home energy management equipment like smart thermostats and voice-controlled appliances became more widely adopted, customer interest in Energy Select has decreased. In order to keep the program viable through other changes, such as reduced use of landline telephones (which were initially required for participation in the program), Gulf adopted newer technology platforms, but each new device or technology platform change required extensive development and integration work to seamlessly incorporate the applicable 4-tiered Residential Service Variable Pricing (RSVP) rate that is associated with the program. The ongoing viability of the program is also

impacted by lack of availability of the required programmable communicating thermostats used in the program.

FPL states that the manufacturer of the programmable thermostat used for the Energy Select program has ceased production of that unit, which limits the availability for offering new installations to the existing inventory on hand.<sup>5</sup> The Company's most recent Demand-Side Management Annual Reports (DSM Report) support the statement that customer interest has been declining. FPL's 2020 and 2019 DSM Reports indicate only 648 actual participants enrolled in this program in 2020, down from 836 in 2019. In 2017, the Energy Select program had more than 1,400 participants. In its petition FPL asserts that an internal study indicated that many customers no longer actively manage their energy use in accordance with the variable pricing tiers which are featured in this program. The study indicated that around 24 percent of Energy Select customers would actually save money by switching to standardized residential rates, assuming energy usage remained the same. In addition, the high capital costs associated with the in-home devices, installation, and licensing, coupled with ongoing maintenance have impacted the cost-effectiveness of Energy Select to the degree that it is no longer cost effective for the general body of customers at today's system costs. Staff agrees with FPL that these factors support the Company's proposal to terminate the Energy Select Program and that doing so is appropriate.

### ***Regulatory Asset***

FPL states that the approximately \$22.7 million unrecovered balance of capital assets associated with the Energy Select program would be retired on December 31, 2021.<sup>6</sup> The equipment consists of programmable communicating thermostats, water heater and pool pump load control relays, in-home communications equipment, and licensing. The Company proposes to establish a regulatory asset in FERC account 182.2, Unrecovered Plant and Regulatory Study Costs, with recovery of that balance to take place through the ECCR clause. FPL contends that recovery of the proposed regulatory asset through the ECCR clause is appropriate because that is where Gulf is currently recovering capital costs associated with the Energy Select program. FPL proposes to amortize the regulatory asset over the remaining life of the Energy Select program assets (approximately 12 years) on a straight-line basis beginning January 1, 2022, with a return on the unamortized, unrecovered balance at the Company's overall weighted average cost of capital that is used for clause investments.

The proposed Energy Select program regulatory asset in the amount of \$22.7 million would be recovered from FPL's current and future ratepayers who receive service from FPL during the next 12 years. In response to staff's data request, FPL states that the majority of the unrecovered balance (\$22.3 million of \$22.7 million) is recorded in plant account 370 – Meters and Meter Accessories. FPL contends that roughly \$18.5 million of the asset balance is related to installed equipment, and that such equipment will remain in place after the program is closed.<sup>7</sup> FPL expects no salvage value related to the plant in service or inventory when the Energy Select Program is terminated. Staff agrees that the creation of a regulatory asset in the amount of \$22.7 million is appropriate and should be approved.

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<sup>5</sup>Petition, Paragraph 19.

<sup>6</sup>Petition, Paragraph 22.

<sup>7</sup>FPL's Response to Staff's First Data Request, Item No. 4(c).



FPL proposed the amortization period of 12 years for the recovery of the regulatory asset because that time frame approximates the currently-authorized depreciation rate for FERC Account 370, which is 7.9 percent.<sup>8</sup> The Company indicates that the 12-year recovery period was the only interval that FPL considered.<sup>9</sup> Staff notes that a 12-year recovery period through the ECCR clause factors adds about \$1.9 million dollars per year in projected costs to the ECCR clause, or about \$0.01 on the recovery factor for the bill of a residential customer using 1,000 kWh of electricity.

Staff considered the proposed 12-year recovery period in comparison to other actions the Commission has taken in prior circumstances of Gulf's retiring minor assets. In 2010, the Commission established a Capital Recovery Schedule over a 4-year period for assets primarily recorded in plant Account 370 – Meters and Meter Accessories.<sup>10</sup> At page 3 in the order issued in that case, the Commission stated “we hereby approve recovery periods tailored to the remaining period the related equipment is planned by the Company to be in service.” In the referenced case, the assets being retired were AMI meters, which had a remaining life of 25 years. In the instant case, staff believes the Commission's earlier decision to create a capital recovery schedule for accrual of the unrecovered book value in Account 370 over a 4-year period supports a shorter recovery period than 12 years for the retiring Gulf's Energy Select assets.

Staff notes that a 5-year recovery through the ECCR would add about \$4.5 million dollars per year in projected costs, and the recovery factor for this amount over a 5-year time increment would add about \$0.03 to the bill of a residential customer using 1,000 kWh of electricity. Staff believes the incremental impact of \$0.03 to a residential 1,000 kWh bill for a 5-year recovery period versus a \$0.01 amount for a 12-year recovery period would impose a minimal impact on customers, address the regulatory asset balance in a relatively short period of time, and provide a better timing match of expenses incurred and benefits (service) received. Staff, therefore, recommends that a 5-year recovery period for the \$22.7 million regulatory asset is appropriate, rather than recovering the balance over a 12-year period. Staff notes that the Commission will have an opportunity at its November 2-4, 2021 hearing in Docket No. 20210002-EI to address any change in ECCR clause factors resulting from a change in amortization period of the proposed Energy Select regulatory asset.

## Conclusion

FPL's Integrated DSM Plan is the combination of FPL and Gulf's previously approved DSM plans, and is projected to meet the conservation goals established in the 2019 FEECA Goal Setting proceeding. A brief description of each program included in the Integrated DSM Plan is included as Attachment A to this recommendation. Staff recommends that costs associated with the Integrated DSM Plan should be eligible for cost recovery through FPL's ECCR factor.

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<sup>8</sup>Schedule C-3, Schedule of Capital Investment, Depreciation, Return and Property Taxes, as filed in Exhibit JNF-4 in Docket No. 20210002-EG on August 6, 2021, reflects that Energy Select Property Additions are depreciated at 7.9 percent per year.

<sup>9</sup>FPL's Response to Staff's First Data Request, Item No. 4(f).

<sup>10</sup>Order No. PSC-10-0458-PAA-EI, issued July 19, 2010, in Docket No. 090319-EI, *In re: Depreciation and dismantlement study at December 31, 2009, by Gulf Power Company.*

Based on staff's review, the retirement of capital assets associated with the Energy Select program should be approved and the associated unrecovered plant balance in the amount of \$22.7 million should be recorded as a regulatory asset. Additionally, the recovery of the regulatory asset through the ECCR over a 5-year period should also be approved.

If the Commission does not approve unified rates in Docket No. 20210015-EI, no action is needed to create a regulatory asset for the Energy Select program, and the existing DSM plans should be continued until the new DSM plans are approved by the Commission.

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

**Recommendation:** Yes. If no person whose substantial interests are affected by the proposed agency action files a protest within 21 days of the issuance of the PAA Order, a Consummating Order should be issued and the docket should be closed. (Imig, Trierweiler)

**Staff Analysis:** If no person whose substantial interests are affected by the proposed agency action files a protest within 21 days of the issuance of the PAA Order, a Consummating Order should be issued and the docket should be closed.

## **FPL's Integrated Program Descriptions**

### **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.

**Curtable Load (CL)**

This program allows FPL to control customer-determined loads of 4,000 kW or greater consistent with the applicable tariff during capacity constraints or system emergencies.

**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.