

STATE OF FLORIDA

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Public Service Commission

May 17, 2023

Ms. Anya C. Owens
Florida Department of State
Administrative Code and Register Section
Room 701, the Capitol
Tallahassee, FL 32399-0250
RuleAdoptions@DOS.MyFlorida.com

Via E-Mail

Re: Rule Certification Packet for Rule 25-17.0021, F.A.C., Goals for Electric Utilities.

Dear Ms. Owens:

Enclosed for filing is a complete rule certification packet for Rule 25-17.0021, F.A.C., consisting of:

- (1) One copy of the coded text of the rule in Word version;
- (2) One copy of the signed rule certification form;
- (3) One copy of the signed designation of minor violation rule certification form required by Rule 1-1.010, F.A.C.;
- (4) One copy of the coded text of the rule, including the legal citations and history notes;
- (5) One copy of the summary of the rule;
- (6) One copy of the detailed written statement of the facts and circumstances justifying the rule; and
- (7) One copy of the summary of the hearings held on the rule.

Please let me know if you have any questions. The contact name and information for this rule are Jon Rubottom, Florida Public Service Commission, Office of General Counsel, 2540 Shumard Oak Blvd., Tallahassee, FL 32399-0250, (850) 413-6191, jrubotto@psc.state.fl.us.

Sincerely,

/s/ Jon Rubottom
Jon Rubottom
Attorney

Enclosures: as indicated above

cc: Office of the Commission Clerk (Docket No. 20200181-EU)

CERTIFICATION OF FLORIDA PUBLIC SERVICE COMMISSION
ADMINISTRATIVE RULES FILED WITH THE DEPARTMENT OF STATE

I hereby certify:

(1) That all statutory rulemaking requirements of Chapter 120, F.S., and all rulemaking requirements of the Department of State have been complied with; and

(2) That there is no administrative determination under Section 120.56(2), F.S., pending on any rule covered by this certification; and

(3) All rules covered by this certification are filed within the prescribed time limitations of Section 120.54(3)(e), F.S. They are filed not less than 28 days after the notice required by Section 120.54(3)(a), F.S.; and

(a) Are filed not more than 90 days after the notice; or

(b) Are filed more than 90 days after the notice, but not more than 60 days after the administrative law judge files the final order with the clerk or until 60 days after subsequent judicial review is complete; or

(c) Are filed more than 90 days after the notice, but not less than 21 days nor more than 45 days from the date of publication of the notice of change; or

(d) Are filed more than 90 days after the notice, but not less than 14 nor more than 45 days after the adjournment of the final public hearing on the rule; or

(e) Are filed more than 90 days after the notice, but within 21 days after the date of receipt of all material authorized to be submitted at the hearing; or

(f) Are filed more than 90 days after the notice, but within 21 days after the date the transcript was received by this agency; or

(g) Are filed not more than 90 days after the notice, not including days the adoption of the rule was postponed following notification from the Joint Administrative Procedures Committee that an objection to the rule was being considered; or

(h) Are filed more than 90 days after the notice, but within 21 days after a good faith written proposal for a lower cost regulatory alternative to a proposed rule is submitted which substantially accomplishes the objectives of the law being implemented; or

(i) Are filed more than 90 days after the notice, but within 21 days after a regulatory alternative is offered by the ombudsman in the Executive Office of the Governor.

The rules are hereby adopted by the undersigned agency by and upon their filing with the Department of State.

Rule No(s).

25-17.0021	
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Under the provision of Section 120.54(3)(e)6., F.S., the rules take effect 20 days from the date filed with the Department of State or a later date as set out below:

Effective Date: _____

(month) (day) (year)



Signature, Person Authorized to Certify Rules

Commission Clerk

Title

6
Number of Pages Certified

**DESIGNATION OF RULE THE VIOLATION OF WHICH IS A MINOR VIOLATION
CERTIFICATION**

Pursuant to Section 120.695(2)(c)3., Florida Statutes, I certify as agency head, as defined by section 20.05(1)(b), Florida Statutes, that:

All rules covered by this certification are not rules the violation of which would be a minor violation pursuant to Section 120.695, F.S.

The following parts of the rules covered by this certification have been designated as rules the violation of which would be a minor violation pursuant to Section 120.695, F.S.:

Rule No. 25-17.0021

Rules covered by this certification:

Rule No. 25-17.0021



Signature of Agency Head

Chairman, Florida Public Service Commission
Title

25-17.0021 Goals for Electric Utilities.

(1) The Commission ~~will shall~~ initiate a proceeding at least once every five years to establish numerical goals for each affected electric utility, as defined by Section 366.82(1)(a), F.S., to reduce the growth rates of weather-sensitive peak demand, to reduce and control the growth rates of electric consumption, and to increase the conservation of expensive resources, such as petroleum fuels. The Commission will set annual Overall Residential kilowatt (KW) and kilowatt-hour (KWH) goals and annual overall Commercial/Industrial KW and KWH goals shall be set by the Commission for each year over a ten-year period. The goals will shall be based on:

(a) An assessment of the technical potential of available measures; and

(b) Aan estimate of the total cost-effective KW kilowatt and KWH kilowatt hour savings reasonably achievable through demand-side management programs in each utility's service area over a ten-year period.

(2) Pursuant to the schedule in an order establishing procedure in the proceeding to establish demand-side management goals, each utility must file a technical potential study. The Commission shall set goals for each utility at least once every five years. The technical potential study must be used to develop the proposed demand-side management goals, and it must assess the full technical potential of all available demand-side conservation and efficiency measures, including demand-side renewable energy systems, associated with each of the following market segments and major end-use categories.

Residential Market Segment:

(Existing Homes and New Construction should be separately evaluated) Major End-Use Category

(a) Building Envelope Efficiencies.

(b) Cooling and Heating Efficiencies.

(c) Water Heating Systems.

(d) Lighting Efficiencies.

(e) Appliance Efficiencies.

(f) Peak Load Shaving.

(g) Solar Energy and Renewable Energy Sources.

Commercial/Industrial Market Segment:

(Existing Facilities and New Construction should be separately evaluated) Major End-Use Category

(h) Building Envelope Efficiencies.

(i) Cooling and Heating Efficiencies.

(j) Lighting Efficiencies.

(k) Appliance Efficiencies.

(l) Power Equipment/Motor Efficiency.

(m) Peak Load Shaving.

(n) Water Heating Systems.

(o) Refrigeration/Freezing Equipment.

(p) Solar Energy and Renewable Energy Sources.

(q) High Thermal Efficient Self Service Cogeneration.

Each utility's filing must describe how the technical potential study was used to develop the goals filed pursuant to subsection (3) below, including identification of measures that were analyzed but excluded from consideration. The Commission on its own motion or petition by a substantially affected person or a utility may initiate a proceeding to review and, if appropriate, modify the goals. All modifications of the approved goals, plans and programs shall only be on a prospective basis.

(3) Pursuant to the schedule in an order establishing procedure in the proceeding to establish demand-side management goals, each utility must file its proposed demand-side management goals. 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 must also file demand-side management goals developed under two scenarios: one scenario that includes potential demand-side management programs that pass the Participant and Rate Impact Measure Tests, and one scenario that includes potential demand-side management programs that pass the Participant and Total Resource Cost Tests, as these terms are used in Rule 25-17.008, F.A.C. Each utility's goal projections projection must be based on the utility's most recent planning process and must shall reflect the annual KW and KWH savings, over a ten-year period, from potential demand-side management programs with 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 addition, for each potential demand-side management program identified in the proposed goals and in each scenario

described above, each utility must provide overall estimated annual program costs over a ten-year period. Each utility's projections shall be based upon an assessment of, at a minimum, the following market segments and major end use categories.

Residential Market Segment:

(Existing Homes and New Construction should be separately evaluated) Major End Use Category

- (a) Building Envelope Efficiencies.
- (b) Cooling and Heating Efficiencies.
- (c) Water Heating Systems.
- (d) Appliance Efficiencies.
- (e) Peakload Shaving.
- (f) Solar Energy and Renewable Energy Sources.
- (g) Renewable/Natural gas substitutes for electricity.
- (h) Other.

Commercial/Industrial Market Segment:

(Existing Facilities and New Construction should be separately evaluated) Major End Use Category

- (i) Building Envelope Efficiencies.
- (j) HVAC Systems.
- (k) Lighting Efficiencies.
- (l) Appliance Efficiencies.
- (m) Power Equipment/Motor Efficiency.
- (n) Peak Load Shaving.
- (o) Water Heating.
- (p) Refrigeration Equipment.
- (q) Freezing Equipment.
- (r) Solar Energy and Renewable Energy Sources.
- (s) Renewable/Natural Gas substitutes for electricity.
- (t) High Thermal Efficient Self Service Cogeneration.
- (u) Other.

(4) Within 90 days of a final order establishing or modifying goals, each utility must file its demand-side management plan that includes the programs to meet the approved goals, along with program administrative standards that include a statement of the policies and procedures detailing the operation and administration of each program. ~~or such longer period as approved by the Commission, each utility shall submit for Commission approval a demand-side management plan designed to meet the utility's approved goals.~~ The following information must ~~shall~~ be filed ~~submitted~~ for each demand-side management program included in the utility's demand-side management plan for a ten-year projected horizon period:

(a) The program name;

(b) The program start date;

~~(c) A statement of the policies and procedures detailing the operation and administration of the program;~~

~~(c)(d)~~ The total number of customers₂ or other appropriate unit of measure₂ in each class of customer (i.e. residential, commercial, industrial, etc.) for each calendar year in the planning horizon;

~~(d)(e)~~ The total number of eligible customers₂ or other appropriate unit of measure₂ in each class of customers (i.e., residential, commercial, industrial, etc.) for each calendar year in the planning horizon;

~~(e)(f)~~ An estimate of the annual number of customers₂ or other appropriate unit of measure₂ in each class of customers projected to participate in the program for each calendar year of the planning horizon, including a description of how the estimate was derived;

~~(f)(g)~~ The cumulative penetration levels of the program by calendar year calculated as the percentage of projected cumulative participating customers₂ or appropriate unit of measure₂ by year to the total customers eligible to participate in the program;

~~(g)(h)~~ Estimates on an appropriate unit of measure basis of the per customer and program total annual KWH reduction, winter KW reduction, and summer KW reduction, both at the customer meter and the generation level, attributable to the program. A summary of all assumptions used in the estimates and a list of measures within the program must ~~will~~ be included;

~~(h)(i)~~ A methodology for measuring actual KW kilowatt and KWH kilowatt-hour savings achieved from each program, including a description of research design, instrumentation, use of control groups, and other details sufficient to ensure that results are valid;

~~(i)(j)~~ An estimate of the cost-effectiveness of the program using the cost-effectiveness tests required pursuant to

Rule 25-17.008, F.A.C. ~~If the Commission finds that a utility's conservation plan has not met or will not meet its goals, the Commission may require the utility to modify its proposed programs or adopt additional programs and submit its plans for approval.~~

(j) An estimate of the annual amount to be recovered through the energy conservation cost recovery clause for each calendar year in the planning horizon.

(5) The Commission may, on its own motion or on a petition by a substantially affected person or a utility, initiate a proceeding to review and, if appropriate, modify the goals. All modifications of the approved goals, plans, and programs will be on a prospective basis.

~~(6)(5)~~ Each utility must ~~shall~~ submit an annual report no later than March 1 ~~of each year~~ summarizing its demand-side management plan and the total actual achieved results for its approved demand-side management plan in the preceding calendar year. The report must ~~shall~~ contain, ~~at a minimum,~~ a comparison of the achieved KW and KWH reductions with the established Residential and Commercial/Industrial goals, and the following information for each approved program:

(a) The name of the utility;

(b) The name of the program and program start date;

(c) The calendar year the report covers;

(d) The ~~the~~ total number of customers, or other appropriate unit of measure, by customer class for each calendar year of the planning horizon;

(e) The ~~the~~ total number of customers, or other appropriate unit of measure, eligible to participate in the program for each calendar year of the planning horizon;

(f) The ~~the~~ total number of customers, or other appropriate unit of measure, projected to participate in the program for each calendar year of the planning horizon;

(g) The potential cumulative penetration level of the program to date calculated as the percentage of projected participating customers to date to the total eligible customers in the class;

(h) The actual number of program participants and the current cumulative number of program participants;

(i) The actual cumulative penetration level of the program calculated as the percentage of actual cumulative participating customers to the number of eligible customers in the class;

(j) A comparison of the actual cumulative penetration level of the program to the potential cumulative

penetration level of the program;

(k) A justification for any variance ~~variances~~ greater ~~larger~~ than 15% from ~~for~~ the annual goals established by the Commission;

(l) Using on-going measurement and evaluation results the annual KWH reduction, the winter KW reduction, and the summer KW reduction, both at the meter and the generation level, per installation and program total, based on the utility's approved measurement/evaluation plan;

(m) The per installation cost and the total program cost of the utility;

(n) The net benefits for measures installed during the reporting period, annualized over the life of the program, as calculated by the following formula:

$$\text{annual benefits} = B_{\text{npv}} \times d/[1 - (1+d)^{-n}]$$

where

B_{npv} = cumulative present value of the net benefits over the life of the program for measures installed during the reporting period.

d = discount rate (utility's after tax cost of capital).

n = life of the program.

Rulemaking Authority 350.127(2), 366.05(1), ~~366.82(1)-(4)~~ FS. Law Implemented 366.82(1)-(4) FS. History—New 4-30-93, Amended_____.

SUMMARY OF THE RULE

Rule 25-17.0021, F.A.C., implements the Public Service Commission's statutory mandate to adopt goals for electric utilities, approve utility plans, and collect periodic reports from utilities related to promoting efficiency and conservation of electric energy as provided in Sections 366.82, F.S.

WRITTEN STATEMENT OF THE FACTS AND CIRCUMSTANCES JUSTIFYING THE RULE

Rule 25-17.0021, F.A.C., is being amended to update and clarify the rule and to improve the administrative efficiency and overall transparency of the Commission's goal-setting and plan-approval processes.

SUMMARY OF ANY HEARINGS HELD ON THE RULE

The Commission published its Notice of Proposed Rulemaking in Volume 49, No. 51, of the Florida Administrative Register, published on March 15, 2023. Three requests for public hearing on the rule were timely filed with the Commission on April 5, 2023, by Southern Alliance for Clean Energy, League of United Latin American Citizens, Environmental Confederation of Southwest Florida, and the CLEO Institute.

Pursuant to notice published in Volume 49, No. 73, of the Florida Administrative Register, published on April 14, 2023, a Section 120.54(3)(c)1., F.S., public hearing was held on May 2, 2023, at 9:30 a.m., at 4075 Esplanade Way, Tallahassee, Florida 32399-0850. The hearing was conducted by the Commissioners of the Public Service Commission with agency staff present and available to answer questions about the rule. The Commissioners heard arguments and were presented with evidence from affected persons, and at the conclusion of the public hearing, the Commission voted to make no change to the proposed rule.



FLORIDA DEPARTMENT *of* STATE

RON DESANTIS
Governor

CORD BYRD
Secretary of State

May 17, 2023

Jon Rubottom
Attorney
Appeals, Rules, & Ethics Section
Office of the General Counsel
Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399

Dear Jon Rubottom:

Your adoption package for Rule 25-17.0021, F.A.C. was received, electronically, by the Florida Department of State, Administrative Code and Register at 8:51 a.m. on May 17, 2023. After review, it appears that the package meets statutory requirements and those of Rule 1-1.010, F.A.C. and is deemed filed for adoption at the time received, as indicated above. The effective date is June 6, 2023.

Sincerely,

Anya C. Owens
Administrative Code and Register Director