

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION
NOTICE OF DEVELOPMENT OF RULEMAKING AND WORKSHOP

TO

ALL ELECTRIC UTILITIES

AND

ALL OTHER INTERESTED PERSONS

DOCKET NO. 20200181-EU

PROPOSED AMENDMENT OF RULE 25-17.0021, F.A.C.,
GOALS FOR ELECTRIC UTILITIES.

ISSUED: December 15, 2020

NOTICE is hereby given pursuant to Section 120.54, Florida Statutes, that the Florida Public Service Commission staff has initiated rulemaking to amend Rule 25-17.0021, Florida Administrative Code, to add clarity and specificity to the rule language concerning demand-side management goals, plans, and programs for electric utilities and to update the rule to improve administrative efficiency.

The Notice of Development of Rulemaking appeared in the November 24, 2020 edition of the Florida Administrative Register. A staff rule development workshop will be held at the following time:

January 14, 2021, at 1:00 p.m.
Call-in Number: 1-866-899-4679
Conference Code: 658-171-845

All public participation in the workshop will be by telephone. To participate in the workshop by telephone, persons may call the call-in number listed above and, when prompted, enter in the above conference code. The workshop will be available to view via livestream on the Commission's website at <http://www.floridapsc.com/Conferences/AudioVideoEventCoverage>. One or more Commissioners may be in attendance and participate in this workshop.

The draft rule and the agenda for the workshop are attached. In addition, the workshop materials will be available on the Commission's website, www.floridapsc.com, under the Rule Development tab. The person to be contacted regarding the rule development is Margo DuVal at mduval@psc.state.fl.us or (850) 413-6076.

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In accordance with the Americans with Disabilities Act, persons needing a special accommodation to participate at this workshop should contact the Office of Commission Clerk no later than five days prior to the workshop at 2540 Shumard Oak Boulevard., Tallahassee, Florida 32399-0850 or 850-413-6770 (Florida Relay Service, 1-800-955-8770 Voice or 1-800-955-8771 TDD).

If a named storm or other disaster requires cancellation of the workshop, Commission staff will attempt to give timely notice to the public. Notice of cancellation will also be provided on the Commission's website (www.floridapsc.com) under the Hot Topics link found on the home page. Cancellation can also be confirmed by calling the Office of the General Counsel at 850-413-6199.

By DIRECTION of the Florida Public Service Commission this 15th day of December, 2020.



ADAM J. TEITZMAN
Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399
(850) 413-6770
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Copies furnished: A copy of this document is provided to the parties of record at the time of issuance and, if applicable, interested persons.

MAD

1 **25-17.0021 Demand-Side Management Goals, Plans, and Programs for Electric**
2 **Utilities.**

3 (1) The Commission will initiate a proceeding at least once every five years to shall
4 establish ~~numerical~~ goals for each affected electric utility, as defined by Section 366.82(1)(a),
5 F.S., ~~to reduce the growth rates of weather-sensitive peak demand, to reduce and control the~~
6 ~~growth rates of electric consumption, and to increase the conservation of expensive resources,~~
7 ~~such as petroleum fuels.~~ The Commission will set Overall Residential kilowatt (KW) and
8 kilowatt-hour (KWH) goals and overall Commercial/Industrial KW and KWH goals shall be
9 ~~set by the Commission~~ for each year over a ten-year period. The Commission will establish
10 ~~goals shall be~~ based on an assessment of the technical potential of available measures, and an
11 estimate of the total cost-effective KW kilowatt and KWH kilowatt-hour savings reasonably
12 achievable through demand-side management programs in each utility's service area over a
13 ten-year period.

14 (2) Pursuant to an order establishing procedure in the proceeding to establish goals, each
15 utility The Commission must shall file set a technical potential study, proposed demand-side
16 management goals, plans, and programs for Commission approval. each utility at least once
17 ~~every five years. The Commission on its own motion or petition by a substantially affected~~
18 ~~person or a utility may initiate a proceeding to review and, if appropriate, modify the goals.~~
19 ~~All modifications of the approved goals, plans and programs shall only be on a prospective~~
20 ~~basis. Each utility's filing must describe how the technical potential study was used to develop~~
21 the utility's proposed goals and programs, including the identification of measures that were
22 excluded from program consideration.

23 (3) In a proceeding to establish or modify demand-side management goals, each utility
24 shall propose numerical goals for the ten-year period ~~and provide ten-year projections.~~ Such
25 goal projections must be based upon the utility's most recent planning process, of the total,

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1 cost-effective, winter and summer peak demand (KW) and annual energy (KWH) savings
2 reasonably achievable in the residential and commercial/industrial classes through the utility's
3 proposed demand-side management programs. ~~Each utility's projection shall reflect~~
4 ~~consideration of overlapping measures, rebound effects, free riders, interactions with building~~
5 ~~codes and appliance efficiency standards, and the utility's latest monitoring and evaluation of~~
6 ~~conservation programs and measures.~~

7 (a) Each utility's goal projections must shall be based upon the full technical potential of
8 all available demand-side conservation and energy efficiency measures associated with each
9 of an assessment of, at a minimum, the following market segments and major end-use
10 categories.

11 Residential Market Segment:

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

13 Category

14 1.(a) Building-Envelope Efficiencies.

15 2.(b) Cooling and Heating Efficiencies.

16 3.(c) Water Heating Systems.

17 4. Lighting Efficiencies.

18 5.(d) Appliance Efficiencies.

19 6.(e) Peak Load Shaving.

20 7.(f) Solar Energy and Renewable Energy Sources.

21 8.(g) Renewable/Natural gas substitutes for electricity.

22 9.(h) Other.

23 Commercial/Industrial Market Segment:

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

25 Category

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- 1 ~~10.(i)~~ Building Envelope Efficiencies.
- 2 ~~11.(j)~~ HVAC Systems.
- 3 ~~12.(k)~~ Lighting Efficiencies.
- 4 ~~13.(l)~~ Appliance Efficiencies.
- 5 ~~14.(m)~~ Power Equipment/Motor Efficiency.
- 6 ~~15.(n)~~ Peak Load Shaving.
- 7 ~~16.(o)~~ Water Heating.
- 8 ~~17.(p)~~ Refrigeration Equipment.
- 9 ~~18.(q)~~ Freezing Equipment.
- 10 ~~19.(r)~~ Solar Energy and Renewable Energy Sources.
- 11 ~~20.(s)~~ Renewable/Natural Gas substitutes for electricity.
- 12 ~~21.(t)~~ High Thermal Efficient Self Service Cogeneration.
- 13 ~~22.(u)~~ Other.

14 (b) Each utility’s goal projections must reflect the savings from proposed demand-side
15 management programs with consideration of overlapping measures, rebound effects, free
16 riders, interactions with building codes and appliance efficiency standards, and the utility’s
17 latest monitoring and evaluation of conservation programs and measures. The following
18 information must be filed for each proposed demand-side management program included in
19 the utility’s goal projections for a ten-year projected horizon period:

- 20 1. The program name;
- 21 2. The program start date;
- 22 3. The total number of customers or appropriate unit of measure in each class of customer
23 (i.e., residential, commercial, industrial, etc.) for each year in the planning horizon;
- 24 4. The total number of eligible customers or appropriate unit of measure in each class of
25 customers (i.e., residential, commercial, industrial, etc.) for each year in the planning horizon;

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1 5. An estimate of the annual number of customers or appropriate unit of measure in each
2 class projected to participate in the program, including a description of how the estimate was
3 derived;

4 6. The cumulative penetration levels of the program by year calculated as the percentage
5 of projected cumulative participating customers or appropriate unit of measure by year to the
6 total customers eligible to participate in the program;

7 7. Estimates on an appropriate unit of measure basis of the per customer and program total
8 annual KWH reduction, winter KW reduction, and summer KW reduction, both at the
9 customer meter and the generation level, attributable to the program. A summary of all
10 assumptions used in the estimates must be included, including a list of measures within the
11 program;

12 8. A methodology for measuring actual KW and KWH savings achieved from each
13 program, including a description of research design, instrumentation, use of control groups,
14 and other details sufficient to ensure that the results are valid;

15 9. An estimate of the cost-effectiveness of the program using the cost-effectiveness tests
16 required pursuant to Rule 25-17.008, F.A.C.;

17 10. An estimate of the annual amount to be recovered through the energy conservation cost
18 recovery clause for each year in the planning horizon;

19 11. Any other relevant information the utility wants the Commission to consider.

20 (4) Within 90 days of a final order establishing or modifying goals, each utility must file
21 its finalized demand-side management plan that includes the proposed programs used to
22 develop the goals, along with program administrative standards that include a statement of the
23 policies and procedures detailing the operation and administration of each program. The filing
24 must include the information required in subparagraphs (3)(b)1. through (3)(b)11. of this Rule
25 for each program in the plan. ~~or such longer period as approved by the Commission, each~~

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- 1 utility shall submit for Commission approval a demand-side management plan designed to
2 meet the utility's approved goals. The following information shall be submitted for each
3 program in the plan for a ten-year projected horizon period:
- 4 ~~(a) The program name;~~
 - 5 ~~(b) The program start date;~~
 - 6 ~~(c) A statement of the policies and procedures detailing the operation and administration of~~
7 ~~the program;~~
 - 8 ~~(d) The total number of customers or appropriate unit of measure in each class of customer~~
9 ~~(i.e. residential, commercial, industrial, etc.) for each year in the planning horizon;~~
 - 10 ~~(e) The total number of eligible customers or appropriate unit of measure in each class of~~
11 ~~customers (i.e., residential, commercial, industrial, etc.) for each year in the planning horizon;~~
 - 12 ~~(f) An estimate of the annual number of customers or appropriate unit of measure in each~~
13 ~~class projected to participate in the program, including a description of how the estimate was~~
14 ~~derived;~~
 - 15 ~~(g) The cumulative penetration levels of the program by year calculated as the percentage~~
16 ~~of projected cumulative participating customers or appropriate unit of measure by year to the~~
17 ~~total customers eligible to participate in the program;~~
 - 18 ~~(h) Estimates on an appropriate unit of measure basis of the per customer and program~~
19 ~~total annual KWH reduction, winter KW reduction, and summer KW reduction, both at the~~
20 ~~customer meter and the generation level, attributable to the program. A summary of all~~
21 ~~assumptions used in the estimates will be included;~~
 - 22 ~~(i) A methodology for measuring actual kilowatt and kilowatt-hour savings achieved from~~
23 ~~each program, including a description of research design, instrumentation, use of control~~
24 ~~groups, and other details sufficient to ensure that results are valid;~~
 - 25 ~~(j) An estimate of the cost-effectiveness of the program using the cost-effectiveness tests~~

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

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

8 ~~(6) (5)~~ Each utility shall submit an annual report no later than March 1 ~~of each year~~
9 summarizing its demand-side management plan and the total actual achieved results for its
10 approved demand-side management plan in the preceding calendar year. The report shall
11 contain, ~~at a minimum,~~ a comparison of the achieved KW and KWH reductions with the
12 established Residential and Commercial/Industrial goals, and the following information for
13 each approved program:

14 (a) The name of the utility;

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

16 (c) The calendar year the report covers;

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

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

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

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

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- 1 (h) The actual number of program participants and the current cumulative number of
2 program participants;
- 3 (i) The actual cumulative penetration level of the program calculated as the percentage of
4 actual cumulative participating customers to the number of eligible customers in the class;
- 5 (j) A comparison of the actual cumulative penetration level of the program to the potential
6 cumulative penetration level of the program;
- 7 (k) A justification for variances larger than 15% from ~~for~~ the annual goals established by
8 the Commission;
- 9 (l) Using on-going measurement and evaluation results the annual KWH reduction, the
10 winter KW reduction, and the summer KW reduction, both at the meter and the generation
11 level, per installation and program total, based on the utility's approved
12 measurement/evaluation plan;
- 13 (m) The per installation cost and the total program cost of the utility;
- 14 (n) The net benefits for measures installed during the reporting period, annualized over the
15 life of the program, as calculated by the following formula:
16
$$\text{annual benefits} = B_{npv} \times d/[1 - (1+d)^{-n}]$$

17 where
18 B_{npv} = cumulative present value of the net benefits over the life of the program for measures
19 installed during the reporting period.
20 d = discount rate (utility's after tax cost of capital).
21 n = life of the program.
- 22 (o) Any other relevant information the utility wants the Commission to consider.

23 *Rulemaking Authority 366.05(1), 366.82(1)-(4) FS. Law Implemented 366.82(1)-(4) FS.*
24 *History—New 4-30-93, Amended _____.*
25

WORKSHOP AGENDA

1. Staff Welcome
2. Staff overview and stakeholder comments on draft Rule 25-17.0021, F.A.C., Goals for Electric Utilities
3. Any closing comments, if needed
4. Discussion of next steps
5. Adjournment