

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Implementation of Section) DOCKET NO. 890737-PU
366.80-.85, Florida Statutes,)
Conservation Activities of Electric) ORDER NO. 22176
and Natural Gas Utilities.)
_____) ISSUED: 11-14-89

The following Commissioners participated in the disposition of this matter:

MICHAEL McK. WILSON, Chairman
THOMAS M. BEARD
JOHN T. HERNDON

NOTICE OF PROPOSED AGENCY ACTION

ORDER ON CONSERVATION

By the Commission:

NOTICE is hereby given by the Florida Public Service Commission that the action discussed herein is preliminary in nature and will become final unless a person whose interests are adversely affected files a petition for a formal proceeding, pursuant to Rule 25-22.029, Florida Administrative Code.

During the 1989 session of the Florida Legislature, Sections 366.80-.85, Florida Statutes, were revised and extended. We are charged with the implementation of the chapter entitled the Florida Energy Efficiency and Conservation Act (FEECA).

Section 366.82(2) requires that we adopt goals for:

increasing the efficiency of energy consumption and increasing the development of cogeneration, specifically including goals designed to increase the conservation of expensive resources, such as petroleum fuels, and to reduce and control the

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growth rates of electric consumption, and to reduce the growth rates especially of weather-sensitive peak demand.

The goals currently expressed in Rule 25-17.001 meet this charge. In order to comply with Sections 366.80-.85, Florida Statutes, as written, we hereby adopt the goals expressed in existing Rule 25-17.001.

The conservation efforts of Florida's electric and natural gas utilities over the past decade have produced significant savings of both dollars and natural resources for the citizens of our state. We believe that further savings can be realized if the state's electric utilities devise plans and programs which enhance the gains made in the residential sector; substantially increase conservation and efficiency efforts in the commercial and industrial sectors; aggressively seek out cogeneration and small power production facilities; and pursue research, development, and demonstration projects designed to promote energy efficiency and conservation. We therefore require that the Florida utilities subject to the provisions of the FEECA statute submit new and revised plans and programs to meet these goals.

Pursuant to Section 366.82(2) the following utilities are subject to the provisions of FEECA and are required to submit plans and programs consistent with the goals embodied in Rule 25-17.001:

Florida Power & Light Company
Florida Power Company
Tampa Electric Company
Gulf Power Company
Jacksonville Electric Authority
Orlando Utilities Commission
Gainesville Regional Utilities
City of Tallahassee
Clay Electric Corporative
Lee County Electric Cooperative
Withlacoochee River Electric Cooperative, Inc.
Sumter County Electric Cooperative

City of Lakeland
City of Ocala
City of Kissimmee
Peoples Gas System, Inc.

Each electric utility shall submit programs detailed in Sections A, B, C, and D below. Each gas utility shall submit programs as set forth in Sections A, B, and C. These programs should contain the following information.

A. DEMAND-SIDE PROGRAMS

For every demand-side offering each utility shall furnish the data listed below.

I. PROGRAM DESCRIPTION:

A narrative of the objectives of the program shall be provided identifying what the program does, who are the eligible customers, and how the program contributes to meeting the goals identified in Section 366.82(2), Florida Statutes, and Rule 25-17.001, Florida Administrative Code.

II. PROGRAM PARTICIPATION STANDARDS:

Each utility shall clearly describe the utility conservation service or product being provided to eligible customers and the eligibility standards. Any criteria for participation, such as usage levels, equipment standards, or other defining criteria, shall be carefully reviewed to avoid undue discrimination. If incentives or rebates are provided, the maximum allowable amounts shall be identified, and the specific internal auditing trail to be established shall be specified.

III. PROGRAM BENEFITS AND COSTS:

Each program shall identify and justify the anticipated demand and energy savings at both the individual customer level and the aggregate system level. Each program filing shall provide the supporting

documentation for these estimates including any engineering assumptions, model results, or field evaluations. The utility shall identify how free-rider effects are included in the anticipated demand and energy savings. All such effects shall be quantified. A summary table such as Attachment A-1 shall be provided for each program.

Program-specific costs shall be provided, identifying estimated cost per customer, with administrative costs separated from rebates and incentives. Annual estimates of participating customers shall be listed as shown on Attachment A-2 of this order.

Each utility shall identify the composite system impact of all demand-savings programs as measured by reductions in overall system summer and winter demand and gigawatthours. The deferral or avoidance of new supply-side resources that result from these programs shall be identified. Attachment A-3 provides a format that shall be used to report any system level savings.

IV. COST-EFFECTIVENESS METHODOLOGY:

Each program shall be analyzed and results submitted using the Commission-approved cost-effectiveness methodology described in Rule 25-17.008, Florida Administrative Code. To the extent that any utility uses another cost-effective methodology, the filing must contain information sufficient to enable us to evaluate the model's assumptions and results.

Municipal and cooperative utilities shall also file information on the cost effectiveness of each of their conservation programs.

V. PROGRAM MONITORING AND EVALUATION:

Each utility shall provide a methodology for monitoring its proposed programs including the establishment of implementation and file result measures and internal audit trails. For those programs using estimated or

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modeled savings, the utility must submit a methodology to verify; and make adjustment for the actual savings which result.

B. NATURAL GAS PROGRAMS

The direct use of natural gas in space conditioning and water heating shall be encouraged by both electric and gas utilities where such use is a cost-effective method of slowing growth in electric demand. Thus, all utilities are required to either develop cost-effective programs for the use of natural gas or provide an explanation why such programs cannot be developed.

C. RESIDENTIAL ENERGY AUDITS

Chapter 366.82(5), Florida Statutes, requires all affected utilities to offer residential energy audits to its customers.

D. COGENERATION PLANS

The Legislature included cogeneration as a generation resource which should be developed in the state. Each utility shall submit a program for attracting qualifying facilities, including its yearly estimates of nontraditional generation over a ten-year planning horizon.

Programs developed in response to this order will be judged by the following criteria currently used for the approval of existing conservation programs:

1. Does each component program advance the policy objectives set forth in Rule 25-17.001 and the FEECA statute?
2. Is each component program directly monitorable and yield measurable results?
3. Is each component program cost-effective? We realize the municipal and cooperative utilities are free to implement non-cost-effective programs if they so desire.

Finally, it is our desire that the existing conservation plans and programs of the electric and gas utilities remain in effect, and that cost recovery under these plans continue, until such time as new plans and programs are approved. This avoids the alternative of leaving utilities without conservation plans and programs pending compliance with Sections 366.80-.85, Florida Statutes.

Based on the above, it is

ORDERED by the Florida Public Service Commission that in compliance with Sections 366.80-.85, Florida Statutes, the goals expressed in existing Rule 25-17.001, Florida Administrative Code, are hereby adopted. It is further

ORDERED that each of the aforementioned utilities subject to the provisions of FEECA shall submit plans and programs consistent with the goals embodied in Rule 25-17.001, Florida Administrative Code, and shall otherwise comply with each of the requirements set forth within the body of this order, within 90 days of the date of issuance of this order.

ORDERED by the Florida Public Service Commission that the existing conservation plans and programs of the electric and gas utilities remain in effect, and that cost recovery under these plans continue, until such time as new plans and programs are approved in this docket.

By ORDER of the Florida Public Service Commission,
this 14th day of NOVEMBER, 1989.

STEVE TRIBBLE, Director
Division of Records and Reporting

(S E A L)

MAP

by: Kay Flynn
Chief, Bureau of Records

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NOTICE OF FURTHER PROCEEDINGS OR JUDICIAL REVIEW

The Florida Public Service Commission is required by Section 120.59(4), Florida Statutes, to notify parties of any administrative hearing or judicial review of Commission orders that is available under Sections 120.57 or 120.68, Florida Statutes, as well as the procedures and time limits that apply. This notice should not be construed to mean all requests for an administrative hearing or judicial review will be granted or result in the relief sought.

The action proposed herein is preliminary in nature and will not become effective or final, except as provided by Rule 25-22.029, Florida Administrative Code. Any person whose substantial interests are affected by the action proposed by this order may file a petition for a formal proceeding, as provided by Rule 25-22.029(4), Florida Administrative Code, in the form provided by Rule 25-22.036(7)(a) and (f), Florida Administrative Code. This petition must be received by the Director, Division of Records and Reporting at his office at 101 East Gaines Street, Tallahassee, Florida 32399-0870, by the close of business on December 5, 1989.

In the absence of such a petition, this order shall become effective on the day subsequent to the above date as provided by Rule 25-22.029(6), Florida Administrative Code, and as reflected in a subsequent order.

Any objection or protest filed in this docket before the issuance date of this order is considered abandoned unless it satisfies the foregoing conditions and is renewed within the specified protest period.

If this order becomes final and effective on the date described above, any party adversely affected may request judicial review by the Florida Supreme Court in the case of an electric, gas or telephone utility or by the First District Court of Appeal in the case of a water or sewer utility by filing a notice of appeal with the Director, Division of Records and Reporting and filing a copy of the notice of appeal and the filing fee with the appropriate court. This filing must be completed within thirty (30) days of the effective date of this order, pursuant to Rule 9.110, Florida Rules of Appellate Procedure. The notice of appeal must be in the form specified in Rule 9.900(a), Florida Rules of Appellate Procedure.

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ATTACHMENT A-1

PROGRAM NAME: _____

<u>Year</u>	<u>At the Meter:</u>		<u>Annual KWH Reduction</u>	<u>Avoided Capacity</u>	<u>Avoided NEL</u>	<u>Average Avoided Energy ¢/KWH</u>
	<u>Winter KW Reduction</u>	<u>Summer KW Reduction</u>				
1990						
1991						
1992						
1993						
1994						
1995						
1996						
1997						
1998						
1999						

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ATTACHMENT A-2

PROGRAM NAME: _____

<u>YEAR</u>	<u># OF ELIGIBLE PARTICIPANTS</u>	<u># OF ACTUAL PARTICIPANTS</u>	<u>% OF ACTUAL TO ELIGIBLE</u>
1982			
1983			
1984			
1985			
1986			
1987			
1988			
1989			
1990*			
1991*			
1992*			
1993*			
1994*			
1995*			
1996*			
1997*			
1998*			
1999*			

* Projections

ATTACHMENT A-3
 Cumulative Impact of Conservation and Load Management

(1) Year	(2) Summer Peak Conservation	(3) Demand (MW) Load Mgt.	(4) Winter Peak Conservation	(5) Demand (MW) Load Mgt.	(6) Net Energy For Load (GWH)	(7) Avoided Capacity	(8) Required Generation Additions
1982							
1983							
1984							
1985							
1986							
1987							
1988							
1989							
1990*							
1991*							
1992*							
1993*							
1994*							
1995*							
1996*							
1997*							
1998*							
1999*							

(1) This column should show bulk generation (including type, timing and amount (MWh)) that would have been constructed or purchased were it not for the impacts of conservation and load management.

* Projected. Historical results should be based on previous conservation activities implemented by the utility.

M E M O R A N D U M

November 9, 1989

TO : DIVISION OF RECORDS AND REPORTING
FROM : DIVISION OF LEGAL SERVICES (PALECKI) *OR*
RE : DOCKET NO. 890737-PU - NOTICE OF PROPOSED AGENCY
ACTION-ORDER ON CONSERVATION

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Attached is a Notice of Proposed Agency Action-Order on Conservation in the above-referenced docket which is ready to be issued.

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