

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition for approval) DOCKET NO. 920567-EG
of Commercial/Industrial Program) ORDER NO. PSC-92-1025-FOF-EG
for High Efficiency Split/) ISSUED: 09/21/92
Package DX Air Conditioning by)
FLORIDA POWER AND LIGHT COMPANY)
_____)

The following Commissioners participated in the disposition of this matter:

THOMAS M. BEARD, Chairman
SUSAN F. CLARK
J. TERRY DEASON
BETTY EASLEY
LUIS LAUREDO

NOTICE OF PROPOSED AGENCY ACTION
ORDER GRANTING PETITION FOR APPROVAL OF COMMERCIAL/INDUSTRIAL
PROGRAM FOR HIGH EFFICIENCY SPLIT/PACKAGE DX AIR CONDITIONING BY
FLORIDA POWER AND LIGHT COMPANY

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.

Florida Power & Light Company (FPL) seeks approval for its High Efficiency Split/Package DX (direct expansion) Air Conditioning program for commercial and industrial customers (C/I) as filed with the Commission on June 2, 1992 and modified July 21, 1992.

The 1989 session of the Florida Legislature charged this Commission with implementing the Florida Energy Efficiency and Conservation Act (FEECA). Accordingly, the Commission issued Order 22176 requiring each FEECA utility to submit a program plan to meet the general goals in Rule 25-17.001 of the Florida Administrative Code. FPL's response was its Demand Side Management Plan for the 90's which the Commission approved in Order 23560. At that time, the direct expansion air-conditioning program was included as a program under investigation by FPL.

FPL now seeks approval to market the program for energy conservation and asks to recover costs through the Commission's

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FPS-C-RECORDS/REPORT

Energy Conservation Cost Recovery (ECCR) Clause. Section 366.82(3) of the Florida Statutes requires prior approval by this Commission before a utility can modify its previously approved FEECA plan.

In Order 22176, the Commission stated that conservation programs will be judged by the following criteria: (1) whether the program advances the policy objectives set forth in Rule 25-17.001, F.A.C and the FEECA statute; (2) whether the program is directly monitorable and yields measurable results; and (3) whether the program is cost effective. FPL's direct expansion air-conditioning program meets the three criteria.

FPL's stated objective for the direct expansion air-conditioning program is to encourage installation of commercial direct expansion air-conditioning equipment with energy efficiencies above those generally installed in the marketplace. Load research performed by FPL shows a large portion of cooling systems in the C/I sector are direct expansion air-conditioners which are considered small-scale commercial cooling systems. To achieve the desired overall energy savings, FPL will be targeting a large number of customers through trade shows, program advertising, promotional brochures and HVAC contractors in addition to FPL's Business Energy Evaluations.

Eligibility in this program will be available to all C/I customers with qualifying purchases of initial or replacement direct expansion air-conditioners. All equipment must be a matched straight cool system or central heat pump unit which exceeds the Florida Energy Efficiency Code's 1992 minimum requirements by at least 1.0 SEER (seasonal energy efficiency ratio) for units less than 5.4 tons and 0.5 EER (energy efficiency ratio) for units 5.4 tons and larger. Recent advances in direct expansion air-conditioning technology have given rise to super high-efficiency systems with SEERS in the 12.0 to 16.0 range so a considerable increase in customer energy efficiency could be realized through this program. Additional incentives will be given for heat pumps which meet the Heating Seasonal Performance Factor as required by Florida's 1992 Energy Efficiency Code.

To be considered for the program, FPL's C/I customers must first have a FPL's Business Energy Evaluation (BEE). This evaluation is part of FPL's C/I "Walk-Thru" Energy Survey program and is free of charge to C/I customers. The BEE assesses the customer's energy needs as an integrated whole in order to recommend conservation measures and practices which will achieve maximum results.

The customer's incentive credit will be issued by FPL after verifying the purchase of qualifying equipment from the program's participating contractors. FPL will determine the amount of the

incentive based on the cooling capacity and the energy efficiency of the installed equipment, but the amount of the incentive will not exceed \$150/ton.

FPL projects the average incentive will be \$380 based on the typical installation of 7.5 tons of cooling capacity with a 1 EER improvement over minimum code. To determine usage patterns and verify actual demand impacts, sample installations will be field monitored during the first two years of the program. FPL will continue to verify that the purchased air-conditioners meet program requirements by inspecting a representative sample of installations throughout the life of the program.

FPL projects the program's influence will be one additional EER improvement per installation. For the typical 7.5 ton unit, FPL's cooling load peaks will be reduced by 0.81 KW (summer) and 0.18 KW (winter) and the unit should save 2,270 kWh annually. FPL is targeting 9,983 customers by the end of 1997 which will produce a total summer peak reduction of 8.1 MW and winter peak reduction of 1.8 MW with a total 22.7 GWh of annual energy savings. The average cost per installation is estimated to be \$550 through 1997 which includes \$170 in administrative costs and incentive of \$380. Based on the Commission's approved cost-effectiveness methodologies, the benefit/cost ratios for the program (as revised by FPL's 7/21/92 filing) are as follows:

Total Resource Test	2.9216
Participant's Test	4.4169
Rate Impact Test	1.0331

We therefore find that FPL's High Efficiency Split/Package DX Air-Conditioning program meets the criteria of Order 22176 by advancing the policy objectives set forth in Rule 25-17.001, F.A.C and the FEECA statute; being directly monitorable and yielding measurable results; and being cost-effective.

FPL shall file program participation standards within 30 days of this Order. These standards shall clearly state FPL's requirements for the program in a manner which precludes program bias and assures program integrity and should include, at a minimum, specific details on the following criteria:

- (1) customer eligibility;
- (2) equipment eligibility;
- (3) technical assistance;
- (4) participating contractor selection;
- (5) equipment performance verification and investment protection;
- (6) incentive credit determination and administration;
- (7) program monitoring and measurement;
- (8) reporting requirements; and include a

- (9) sample format for reporting project costs with clear separation of incentive dollars and promotional costs from other program dollars.

No costs incurred for this program prior to FPL having submitted and staff having approved the program standards shall be recoverable under FPL's ECCR clause.

In addition to its normal FEECA filings, FPL shall file with Commission staff a special direct expansion air-conditioning progress report after the program has been fully implemented for one year. Upon reaching the implementation year milestone, FPL should notify Commission staff of that fact and when the progress report will be available. The report shall provide, at a minimum, the following information:

- (1) A narrative summary of FPL's experience with the program;
- (2) Marketing efforts including samples of media used;
- (3) Planned participation and actual results;
- (4) Revised estimates of winter and summer kW savings and annual kWh savings by year over the next 10 years with detailed explanations of how these savings were calculated;
- (5) Revised estimates of start-up and annual program costs with detailed explanations of how these costs were calculated.
- (6) Available costs and energy savings data for each energy improvement installed during the year.
- (7) Updated cost-effectiveness tests based on any revised assumptions.

Based on the foregoing, it is

ORDERED that the Petition for Approval of Commercial/Industrial High Efficiency Split/Package DX Air Conditioning program by Florida Power and Light Company is GRANTED. It is further

ORDERED that this Order shall become final unless an appropriate petition for formal proceeding is received by the Division of Records and Reporting, 101 East Gaines Street, Tallahassee, Florida 32399-0870, by the close of business on the date indicated in the Notice of Further Proceedings or Judicial Review. It is further

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ORDERED that FPL shall file program participation standards within 30 days of this Order. These standards shall clearly state FPL's requirements for program eligibility in a manner which precludes program bias and assures program integrity. The participation standards shall include at a minimum, specific details on the criteria set out in this Order. It is further

ORDERED that this docket shall not be closed until FPL has filed and Commission staff has reviewed and approved the program participation standards. It is further

ORDERED that FPL shall file with the Commission staff a special C/I High Efficiency Split/Package DX Air Conditioning program progress report after the program has been fully implemented for one year. Upon reaching the implementation year milestone, FPL shall notify Commission staff of that fact and advise as to when the progress report will be available. The report shall provide, at a minimum, the information set out as required in the body of this Order.

By ORDER of the Florida Public Service Commission this 21st day of September, 1992.



STEVE TRIBBLE, Director
Division of Records and Reporting

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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 October 12, 1992.

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.

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.