#### BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition for approval of demand-side management plan, by Peoples Gas System.

DOCKET NO. 20190210-EG ORDER NO. PSC-2021-0242-PAA-EG ISSUED: July 2, 2021

The following Commissioners participated in the disposition of this matter:

GARY F. CLARK, Chairman ART GRAHAM ANDREW GILES FAY MIKE LA ROSA GABRIELLA PASSIDOMO

NOTICE OF PROPOSED AGENCY ACTION ORDER APPROVNG PEOPLES GAS SYSTEM'S DEMAND SIDE MANAGEMENT PLAN

#### 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 substantially affected files a petition for a formal proceeding, pursuant to Rule 25-22.029, Florida Administrative Code (F.A.C.).

## **Background**

Enacted in 1980, Sections 366.80 through 366.83, and 403.519, Florida Statutes (F.S.), known collectively as the Florida Energy Efficiency and Conservation Act (FEECA), requires us to adopt conservation goals to increase the efficiency of energy consumption. Additionally, FEECA emphasizes reducing the growth rates of weather-sensitive peak demand, reducing and controlling the growth rates of electricity consumption, reducing the consumption of expensive resources such as petroleum fuels, and encouraging demand-side renewable energy resources. We most recently established conservation goals for Peoples Gas System (PGS or Utility) by Order No. PSC-2019-0361-PAA-GU, issued August 26, 2019 (2019 Goalsetting Order).

Pursuant to Section 366.82(7), F.S., after goals are established, we shall require each utility subject to FEECA to develop a demand-side management (DSM) plan to meet the conservation goals. On November 20, 2019, PGS filed a petition requesting approval of its original DSM Plan. As part of this filing, PGS provided a cost-effectiveness analysis of the

<sup>&</sup>lt;sup>1</sup> Order No. PSC-2019-0361-PAA-GU, issued August 26, 2019, in Docket No. 20180186-GU, *In re: Petition for approval of demand side management goals and residential customer assisted and commercial walk-through energy audit programs, by Peoples Gas System.* 

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proposed programs pursuant to Rule 25-17.009, F.A.C. The cost-effectiveness analysis includes the Gas Rate Impact Measure (G-RIM) Test and the Participants Test.

We issued multiple data requests to PGS regarding the original DSM Plan, which featured individual programs per measure. In June 2020, the Utility informed us of its intention to refile its original petition in order to revise its proposed programs. On February 26, 2021, PGS filed its revised petition, regrouping the programs included in the original petition to more closely reflect the programs used to establish the Utility's conservation goals in the 2019 Goalsetting Order. As part of its February 2021 filing, PGS provided an updated cost-effectiveness analysis for the revised programs, and provided the program administrative standards.

We have jurisdiction over this matter pursuant to Sections 366.80 through 366.83 and 403.519, F.S.

#### **Decision**

The criteria used to review the appropriateness of the conservation programs are as follows: (1) whether the program advances the policy objectives of FEECA and its implementing rules; (2) whether the program is directly monitorable and yields measurable results; and (3) whether the program is cost-effective.<sup>2</sup> We have reviewed PGS's proposed DSM Plan, including its energy savings, cost-effectiveness, and rate impact. PGS's proposed DSM Plan exceeds the goals set in the 2019 Goalsetting Order, and we hereby approve it.

# Description of DSM Plan

PGS's proposed DSM Plan consists of 11 programs in total, 4 residential and 7 commercial/industrial. Some of these programs have been renamed, but otherwise, they are essentially continuations of PGS's existing programs. As required by Rule 25-17.003, F.A.C., and as approved in the 2019 Goalsetting Order, PGS's proposed DSM Plan now offers energy audits to residential customers, and PGS also now voluntarily offers audits to commercial/industrial customers. Table 1-1 provides a complete list of the programs and the program status (modified or new). A description of each program can be found in Attachment A.

<sup>&</sup>lt;sup>2</sup> PSC 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.

Table 1-1 PGS DSM Plan Program Listing

Dua guara Nama	Program	Status	
Program Name	Modified	New	
Residential Programs			
Residential Customer Assisted Energy Audit		X	
Residential New Construction	X		
Residential Retrofit	X		
Residential Retention	X		
Commercial/Industrial Programs			
Commercial Walk-Through Energy Audit		X	
Commercial New Construction	X		
Commercial Retrofit	X		
Commercial Retrofit Combined Heat and Power (CHP)	X		
Commercial Retrofit Electric Replacement	X		
Commercial Retention	X		
Conservation Research and Development (R&D)	X		

Source: Document No. 02477-2021

PGS's proposed DSM Plan features two audit programs: the Residential Customer Assisted Energy Audit and the Commercial Walk-Through Energy Audit. PGS received approval in the 2019 Goalsetting Order to add these programs to ensure that the full requirements of FEECA are being met.<sup>3</sup>

The primary changes made to the modified programs were renaming, and updates to the rebate levels available within the programs. Programs that will be replacing electric systems/equipment with energy-efficient natural gas systems/equipment will now be referred to as "Retrofit" for clarity as opposed to "Replacement" as previously named. PGS will continue to use the term "Retention," which is the replacement of existing natural gas systems/equipment with energy efficient natural gas systems/equipment. As an example of a rebate update, PGS increased the rebate amount for the dryer in the Residential Retention Program from \$100 to \$150.

The other changes made to the modified programs are as follows: (1) Gas Space Conditioning was added as a measure to the respective residential and commercial retrofit and retention programs instead of continuing as a singular program; (2) the Oil Heat Replacement program was eliminated due to low historical participation totals; (3) the Commercial Retention CHP program was eliminated due to its failure to achieve cost-effectiveness; and (4) for the Conservation R&D program, PGS combined its existing Monitoring and Research program with its Conservation Demonstration and Development program to become a single Conservation R&D program.

<sup>&</sup>lt;sup>3</sup> Order No. PSC-2019-0361-PAA-GU, issued August 26, 2019, in Docket No. 20180186-GU, *In re: Petition for approval of demand side management goals and residential customer assisted and commercial walk-through energy audit programs, by Peoples Gas System.* 

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PGS also submitted its administrative program standards along with its proposed DSM Plan, which can be found in Attachment B. We have reviewed the administrative program standards and they appear consistent with the Utility's proposed DSM Plan.

# Program Participation

PGS projects program participation based on historical program participation trends. The projected annual program participation for each program in PGS's proposed DSM Plan is provided in Table 1-2.

Table 1-2 PGS's DSM Plan Annual Program Participation by Program

1 GS 9 DSW11 lan Minaar 1 Togram 1 ar despation by 1 Togram								
Program Name	2021	2022	2023	2024	2025	2026	2027	2028
		Resi	idential P	rograms				
Residential Customer Assisted Energy Audit	4,500	4,500	4,500	4,500	4,500	4,500	4,500	4,500
Residential New Construction	8,700	8,900	9,000	9,100	9,200	9,300	9,400	9,500
Residential Retrofit	2,420	2,514	2,558	2,641	2,699	2,767	2,825	2,910
Residential Retention	16,400	16,916	17,332	17,709	18,061	18,448	18,800	19,326
		Com	mercial P	rograms				
Commercial Walk- Through Energy Audit	500	500	500	500	500	500	500	500
Commercial New Construction	96	100	103	105	109	112	114	116
Commercial Retrofit	88	90	92	95	96	99	101	104
Commercial Retrofit CHP	0	0	0	0	0	0	0	0
Commercial Retrofit Electric Replacement	1	1	1	1	1	1	1	1
Commercial Retention	293	300	307	314	321	328	336	345

Source: Document No. 02477-2021

As seen in Table 1-2, the Commercial Retrofit Combined Heat and Power (CHP) program is projected to have zero participation. PGS forecasted zero participation for this DSM program based upon the program's historical participation rate. PGS believes that participation will increase in this program as commercial customers seek technologies to reduce energy costs and greenhouse gas emissions. CHP technologies improve energy efficiency since the energy is produced at the point of use, and involves the recovery of thermal energy that would otherwise be wasted. The Utility modified the Commercial Retrofit CHP program to clarify what qualifies for the incentive. The Utility also proposed an increase to the incentive, and added the requirement to offset some amount of gas usages. PGS believes these modifications will attract participation to this DSM program.

# Comparison of DSM Plan to Goals

As in the 2019 Goalsetting Order, PGS estimated program savings through a combination of state and national industry sources, current building code and appliance standards, and a review of historical DSM program activity. Based our review and as shown in Table 1-3, PGS's proposed DSM Plan will exceed our established annual goals. The annual energy savings associated with PGS's proposed DSM Plan and our established goals are summarized in Table 1-3 for the residential and commercial/industrial sectors.

Table 1-3 Commission's Goals vs. PGS's DSM Plan

	Residential		Commercial	
Year	(Therms)		(The	rms)
1 ear	Goal	DSM	Goal	DSM
	Goar	Plan	Gom	Plan
2021	355,569	373,753	227,968	245,612
2022	363,728	383,682	233,833	251,869
2023	371,562	389,725	239,661	258,120
2024	379,045	395,866	245,457	264,386
2025	386,682	401,594	251,338	270,678
2026	394,475	407,663	257,304	277,076
2027	402,429	413,392	263,357	283,612
2028	410,546	420,592	269,500	290,246
Total	3,749,583	3,904,732	2,426,634	2,613,791

Source: Document No. 02477-2021

The values presented above are projections based upon participation rates which may or may not occur. PGS will be responsible for monitoring actual participation rates and seeking our action, if necessary, to modify, add, or remove programs. If PGS is unable to meet our goals, the Utility may be subject to appropriate action by us, up to and including financial penalties.

Section 366.82(10), F.S., requires us to provide an annual report to the Governor and Legislature on the progress of each utility toward meeting the established goals. PGS will continue to submit to us an annual report no later than March 1 of each year, summarizing the achievements of its DSM Plan. We will continue to monitor and report the actual amount of DSM savings each year, on an annual and cumulative basis, as part of the FEECA Report.

#### Cost-Effectiveness Review

As required by Rule 25-17.009, F.A.C., PGS provided a cost-effectiveness analysis of the proposed programs using the G-RIM and the Participants Tests. Below, we address PGS's results of its cost-effectiveness analysis.

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# Cost-Effectiveness Test Results

All of PGS's proposed programs pass both the G-RIM and Participants Tests. These tests consist of the program benefits divided by the program costs so that programs are determined to be cost-effective if the result of the test is a ratio greater than 1.00. The data PGS used to develop the costs associated with the cost-effectiveness tests was obtained from PGS's current costs in facilitating existing programs, and from costs currently incurred by the Utility and customers for energy efficient natural gas equipment and infrastructure. The cost-effectiveness test results for each program are provided in Table 1-4.

Table 1-4
PGS's DSM Plan Cost-Effectiveness Test Results by Program

	G-RIM	Participants	
Program Name	Test	Test	
Residential Programs			
Residential New Construction	1.502	1.041	
Residential Retrofit	1.321	1.103	
Residential Retention	1.412	1.579	
Commercial Programs			
Commercial New Construction	2.871	1.098	
Commercial Retrofit	3.326	1.316	
Commercial Retrofit CHP	2.225	1.846	
Commercial Retrofit Electric Replacement	4.404	1.218	
Commercial Retention	1.009	4.094	

Source: Document No. 02477-2021

# Rate Impact

We reviewed the projected program costs for PGS's proposed DSM Plan. Table 1-5 shows the total projected program costs for each program in PGS's proposed DSM Plan. PGS projects that the total cost for its proposed DSM Plan will be approximately \$190 million.

Table 1-5
Total Program Costs of PGS's DSM Plan

Total Trogram Costs of TGS 3 DSWI Tian			
Program Name	Program Costs		
Residential Programs			
Residential Customer Assisted Energy Audit	\$1,725,000		
Residential New Construction	\$100,928,500		
Residential Retrofit	\$10,153,221		
Residential Retention	\$62,804,741		
Commercial/Industrial Programs			
Commercial Walk-Through Energy Audit	\$720,000		
Commercial New Construction	\$1,990,514		
Commercial Retrofit	\$4,450,111		
Commercial Retrofit CHP	\$0		
Commercial Retrofit Electric Replacement	\$80,000		
Commercial Retention	\$6,060,429		
Conservation R&D	\$1,000,000		

Source: Document No. 03066-2021

As shown in Table 1-5, PGS projects zero program costs for the Commercial Retrofit CHP program due the zero projected program participation previously discussed. However, we hereby find that PGS shall update us on program costs and all other relevant program information should program participation be achieved.

The cost to implement PGS's proposed DSM Plan will flow through to the ratepayers through the NGCCR proceeding. In the NGCCR proceeding, PGS will file annually for recovery of incentives, and equipment and administrative costs. The NGCCR amounts represent a monthly bill impact to customers as part of the non-fuel cost of energy charges on their bills. Much like investments in generation, transmission, and distribution, investments in energy efficiency have an immediate rate impact, but may produce savings over time.

Table 1-6 is an estimate of the monthly bill impact on a typical residential and commercial customer for PGS's proposed DSM Plan. The estimated NGCCR factors are based upon the participation rates and administrative costs used in the cost-effectiveness analysis discussed above and are not final.

Table 1-6
PGS's Estimated Monthly Bill Impact of Proposed DSM Plan

Year	Residential Customer	<b>Commercial Customer</b>
	20 Therms/mo	1,500 Therms/mo
	Monthly Bil	ll Impact (\$)
2021	1.81	28.73
2022	2.03	32.24
2023	2.01	31.85
2024	1.98	31.42
2025	1.95	30.99
2026	1.93	30.57
2027	1.90	30.13
2028	1.88	29.78

Source: Document No. 03066-2021

# Conclusion

The DSM Plan proposed by PGS is projected to exceed the annual numeric conservation goals approved by us in the 2019 Goalsetting Order. PGS's proposed DSM Plan is primarily a continuation, with some minor modifications, of its preliminary DSM portfolio used to establish the goals approved by us in 2019 Goalsetting Order. The programs within PGS's proposed DSM Plan are projected to be cost-effective based upon both the G-RIM and Participants Tests.

Therefore, we hereby permit PGS to file for cost recovery of the programs included in its proposed DSM Plan in the NGCCR proceeding. However, PGS must demonstrate that the expenditures to implement its DSM programs are reasonable and prudent in order to recover those expenditures.

PGS also submitted its administrative program standards with its proposed DSM Plan. We have reviewed PGS's administrative program standards and find that they are consistent with the Utility's proposed DSM Plan. PGS shall notify us prior to any changes being made to the program standards as filed.

Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that Peoples Gas System's demand side management plan, as described in Attachment A, is approved. It is further

ORDERED that Peoples Gas System's demand side management plan program standards, as described in Attachment B, are approved. It is further

ORDERED that the provisions of this Order, issued as proposed agency action, shall become final and effective upon the issuance of a Consummating Order unless an appropriate petition, in the form provided by Rule 28-106.201, Florida Administrative Code, is received by the Commission Clerk, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, by the

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close of business on the date set forth in the "Notice of Further Proceedings" attached hereto. It is further

ORDERED that if no person whose substantial interests are affected by the proposed agency action files a protest within 21 days of the issuance of the order, this docket shall be closed upon the issuance of a Consummating Order.

By ORDER of the Florida Public Service Commission this 2nd day of July, 2021.

ADAM J. VEITZMAN Commission Clerk

Florida Public Service Commission 2540 Shumard Oak Boulevard

Tallahassee, Florida 32399

(850) 413-6770

www.floridapsc.com

Copies furnished: A copy of this document is provided to the parties of record at the time of issuance and, if applicable, interested persons.

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# NOTICE OF FURTHER PROCEEDINGS OR JUDICIAL REVIEW

The Florida Public Service Commission is required by Section 120.569(1), Florida Statutes, to notify parties of any administrative hearing that is available under Section 120.57, 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 will be granted or result in the relief sought.

Mediation may be available on a case-by-case basis. If mediation is conducted, it does not affect a substantially interested person's right to a hearing.

The action proposed herein is preliminary in nature. Any person whose substantial interests are affected by the action proposed by this order may file a petition for a formal proceeding, in the form provided by Rule 28-106.201, Florida Administrative Code. This petition must be received by the Office of Commission Clerk, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, by the close of business on July 23, 2021.

In the absence of such a petition, this order shall become final and effective upon the issuance of a Consummating Order.

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

# **Peoples Gas System**

# **Residential Programs**

# **Residential Customer-Assisted Energy Audit**

The Residential Customer-Assisted Energy Audit Program allows for residential customers to engage in an online energy audit.

#### **Residential New Construction**

The Residential New Construction Program offers rebates to builders and developers who construct new single family and multi-family homes with the installation of energy efficient natural gas appliances.

Natural Gas Appliance/System	Incentive/Appliance Installation
Dryer	\$200
Range/Cooktop	\$300
Tank Water Heater	\$550
ENERGY STAR Tank Water Heater	\$650
Tankless Water Heater	\$700
Central Heating	\$725

#### **Residential Retrofit**

The Residential Retrofit Program offers rebates to current and new natural gas customers who replace electric equipment with new, energy efficient natural gas equipment.

Natural Gas Appliance/System	Incentive/Appliance Installation
Dryer	\$200
Range/Cooktop	\$300
Tank Water Heater	\$550
ENERGY STAR Tank Water Heater	\$650
Tankless Water Heater	\$700
Central Heating	\$725
Space Heater	\$65
Space Conditioner	\$500/ton

# **Residential Retention**

The Residential Retention Program offers rebates to current natural gas customers who replace less efficient natural gas equipment with new, energy efficient natural gas equipment.

Natural Gas Appliance/System	Incentive/Appliance Installation
Range/Cooktop	\$100
Dryer	\$150
Tank Water Heater	\$350
ENERGY STAR Tank Water Heater	\$400
Central Heating	\$500
Tankless Water Heater	\$550
Space Conditioner	\$150/ton

# **Commercial Programs**

# **Commercial Walk-Through Energy Audit**

In the Commercial Walk-Through Energy Audit Program, an audit is conducted by a trained commercial energy analyst who will provide tailored recommendations to encourage the customer to implement cost-effective measures.

#### **Commercial New Construction**

The Commercial New Construction Program offers rebates to builders and developers who construct commercial and industrial facilities with the installation of energy efficient natural gas appliances.

Natural Gas Appliance/System	Incentive/Appliance Installation
Range/Cooktop	\$2,000
Dryer	\$2,500
ENERGY STAR Tank Water Heater	\$2,500
Fryer	\$3,500
Tankless Water Heater	\$3,500

#### **Commercial Retrofit**

The Commercial Retrofit Program offers rebates to current and new natural gas customers who replace electric equipment with new, energy efficient natural gas equipment.

Natural Gas Appliance/System	Incentive/Appliance Installation
Range/Cooktop	\$2,000
Dryer	\$2,500
Tank Water Heater	\$2,500
Fryer	\$3,500
Tankless Water Heater	\$3,500
Space Conditioner	\$500/ton

### **Commercial Retrofit Combined Heat and Power**

The Commercial Retrofit Combined Heat and Power Program offers customer rebates for installing new, energy-efficient natural gas combined heat and power equipment to utilize waste heat to displace portions of natural gas usage for on-site heating, cooling, and water heating.

• Maximum Incentive: \$300/kW of actual electric demand reduced of installed combined heat and power equipment

# **Commercial Retrofit Electric Replacement**

The Commercial Retrofit Electric Replacement Program offers rebates to current and new natural gas customers who install new, energy efficient natural gas equipment.

• Maximum Incentive: \$100/kW reduction for qualifying natural gas equipment

#### **Commercial Retention**

The Commercial Retention Program offers rebates to current natural gas customers who replace less efficient natural gas equipment with new, energy efficient natural gas equipment.

Natural Gas Appliance/System	Incentive/Appliance Installation
Range/Cooktop	\$1,500
Tank Water Heater	\$1,500
Dryer	\$2,000
Tankless Water Heater	\$2,000
Fryer	\$3,000
Space Conditioner	\$150/ton

# **Research and Development**

# Conservation Research and Development (R&D)

The Conservation R&D Program allows PGS to explore DSM measures that have insufficient data on cost-effectiveness, and the impact on PGS and its ratepayers. Program costs are estimated at \$125,000 per year for a five-year period; however, the total program cost shall not exceed \$500,000 for the five-year period.



# **Peoples Gas System**

DSM Plan Program Standards 2019-2028

February 26, 2021

Program: Residential Customer Assisted Energy Audit

#### **Program Participation Standards**

- Participation is available to any existing PGS residential customer located within PGS service area.
- This audit will be advertised to residential customers demonstrating the benefits of participating.
- 3. There is no payment processing with this program.
- 4. There are no technical specifications on equipment eligibility with this program.
- PGS will report the expenses and participation of this program through the company's annual Demand Side Management fillings to the Commission.

**Program: Residential New Construction Program** 

#### **Program Participation Standards**

- Participation is available to any new PGS customer with a new residence located in PGS service area.
- Rebates:
  - \$200 per qualifying natural gas dryer/dryer stub.
  - \$300 per qualifying <u>natural gas range or cooktop</u>.
  - \$725 per qualifying <u>natural gas central heating system</u>. (Up to two rebates for the same type of natural gas heating system if two systems are installed.)
  - Water Heating: Up to two rebates for any combination of the following water heating systems.
    - \$550 per qualifying natural gas tank water heating system.
    - \$650 per qualifying <u>natural gas ENERGY STAR tank water</u> heating system.
    - \$700 per qualifying natural gas tankless water heating system.

- Non-qualifying equipment:
  - · Used or refurbished equipment.
  - Outdoor kitchens.
  - Outdoor grills.
  - · Firepits, fireplaces, and fire logs.
  - Point of service tankless water heaters.
- Eligibility requirements:
  - Rebate allowances are for new single or multi-family residences.
  - Natural gas central heating system must be a thermostatically controlled vented system with blower.
  - Tankless water heating system must provide a minimum of five gallons per minute ("GPM").
  - Qualifying water heaters must have the ENERGY STAR certification or a thermal efficiency greater than 10 percent over current Florida Building Code and Federal Appliance Energy Efficiency Standards, whichever is greater.
- The builder or developer will receive the rebate by PGS based upon the actual energy efficiency measure(s) installed. In the event of a customer installation with no builder or developer involvement, PGS will issue the rebate to the customer.
- No payment shall be made by PGS until:
  - Appliances must be installed and in operational condition, apart from the dryer, which may be left as stubbed.
  - · Certificate of occupancy must be issued for the premise.

- A complete and correct participant application has been submitted to the company.
- PGS reserves the right to ask for additional information in the performance of the office verification before rebate payment is made, including performing a field verification of the installation.
- PGS will report the expenses and participation of this program through the company's annual Demand Side Management filings to the Commission.

**Program: Residential Retrofit** 

#### **Program Participation Standards**

- Participation is available to any existing PGS residential customer located within PGS service area.
- Rebates:
  - . \$200 per qualifying natural gas dryer.
    - · One rebate allowance is authorized per customer every 5 years.
  - · \$300 per qualifying natural gas range/cooktop.
    - One rebate allowance is authorized per customer every 5 years.
       Up to two rebates are authorized for the same type of natural gas space conditioning, if two systems are installed.
  - \$550 per qualifying <u>natural gas tank water heater.</u>
    - One rebate allowance is authorized per customer every 6 years.
       Up to two rebates are authorized for the same type of natural gas water heater, if two systems are installed.
  - \$650 per qualifying <u>natural gas ENERGY STAR tank water heater</u>.
    - One rebate allowance is authorized per customer every 6 years.
       Up to two rebates are authorized for the same type of natural gas water heater, if two systems are installed.
  - \$700 per qualifying <u>natural gas tankless water heater</u>.
    - One rebate allowance is authorized per customer every 10 years.
       Up to two rebates are authorized for the same type of natural gas water heater, if two systems are installed.
  - \$725 per qualifying <u>natural gas central heating system.</u>
    - One rebate allowance is authorized per customer every 10 years.
       Up to two rebates are authorized for the same type of natural gas heating system if two systems are installed.
  - \$65 per qualifying natural gas space heater.
    - One rebate allowance is authorized per customer every 5 years.
       Up to two rebates are authorized for the same type of natural gas space heating, if two systems are installed.
  - \$500 per ton of installed qualifying <u>natural gas space conditioning</u> <u>equipment.</u>
    - One rebate allowance is authorized per customer every 5 years.
       Up to two rebates are authorized for the same type of natural gas space conditioning, if two systems are installed.

- 3. Non-qualifying equipment:
  - · Used or refurbished equipment.
  - · Firepits, fireplaces, and fire logs.
  - · Outdoor kitchen cooktops/ranges.
  - · Outdoor grills.
  - · Point of service tankless water heaters.
  - · Portable space heating equipment.

- 4. Equipment eligibility requirements:
  - Natural gas central heating system must be a thermostatically controlled vented system with blower.
  - Qualifying ENERGY STAR water heaters must have the ENERGY STAR certification or an efficiency greater than 10 percent over current Florida Building Code and Federal Appliance Energy Efficiency Standards, whichever is greater.
  - Tankless water heating units must provide a minimum of five gallons per minute (GPM).
- The contractor will subtract the rebate paid by PGS from the customer's total cost
  of equipment and installation. In the event of a customer installation with no
  contractor involvement, PGS will issue the rebate to the customer.
- 6. No payment shall be made by PGS until:
  - A complete and correct participant application has been submitted to the company within one year of the receipt purchase date.
  - · Application must include:
    - · Equipment purchase date
    - · Equipment model number
    - · Equipment serial number
    - ENERGY STAR product label (required for ENERGY STAR water heater only)
    - · Equipment receipts that show paid in full
    - · Contractor Invoices (if used) that show paid in full
- PGS reserves the right to ask for additional information in the performance of the
  office verification before rebate payment is made, including performing a field
  verification of the installation.
- PGS will report the expenses and participation of this program through the company's annual Demand Side Management fillings to the Commission.

#### **Program: Residential Retention**

#### **Program Participation Standards**

- Participation is available to any existing PGS residential customer located within PGS service area.
- Rebates:
  - \$100 per qualifying <u>natural gas range/cooktop</u>.
    - One rebate allowance is authorized per customer every 7 years.
       Up to two rebates are authorized for the same type of natural gas range/cooktop, if two systems are installed.
  - \$150 per qualifying <u>natural gas dryer</u>.
    - One rebate allowance is authorized per customer every 5 years.
  - \$350 per qualifying <u>natural gas tank water heater</u>.
    - One rebate allowance is authorized per customer every 6 years.
       Up to two rebates are authorized for the same type of natural gas water heater, if two systems are installed.
  - \$400 per qualifying <u>natural gas ENERGY STAR tank water heater</u>.
    - One rebate allowance is authorized per customer every 6 years.
       Up to two rebates are authorized for the same type of natural gas water heater, if two systems are installed.
  - \$500 per qualifying natural gas central heating system.
    - One rebate allowance is authorized per customer every 10 years.
       Up to two rebates are authorized for the same type of natural gas heating system if two systems are installed.
  - \$550 per qualifying <u>natural gas tankless water heater</u>.
    - One rebate allowance is authorized per customer every 10 years.
       Up to two rebates are authorized for the same type of natural gas water heater, if two systems are installed.
  - \$150 per ton of installed qualifying <u>natural gas space conditioning</u> equipment.
    - One rebate allowance is authorized per customer every 5 years.
       Up to two rebates are authorized for the same type of natural gas space conditioning, if two systems are installed.

- 3. Non-qualifying equipment:
  - Used or refurbished equipment.
  - Firepits, fireplaces, and fire logs.
  - Outdoor kitchen cooktops/ranges.
  - Outdoor grills.
  - · Point of service tankless water heaters.
  - · Portable space conditioning equipment.
- 4. Equipment eligibility requirements:
  - Natural gas central heating system must be a thermostatically controlled vented system with blower.

- Qualifying ENERGY STAR water heaters must have the ENERGY STAR certification or an efficiency greater than 10 percent over current Florida Building Code and Federal Appliance Energy Efficiency Standards, whichever is greater.
- · Tankless water heating units must provide a minimum of five GPM.
- The contractor will subtract the rebate paid by PGS from the customer's total cost
  of equipment and installation. In the event of a customer installation with no
  contractor involvement, PGS will issue the rebate to the customer.
- No payment shall be made by PGS until:
  - A complete and correct participant application has been submitted to the company within one year of the receipt purchase date.
  - · Application must include:
    - · Equipment purchase date
    - · Equipment model number
    - · Equipment serial number
    - ENERGY STAR product label (required for ENERGY STAR water heater only)
    - · Equipment receipts that show paid in full
    - · Contractor Invoices (if used) that show paid in full
- PGS reserves the right to ask for additional information in the performance of the office verification before rebate payment is made, including performing a field verification of the installation.
- PGS will report the expenses and participation of this program through the company's annual Demand Side Management filings to the Commission.

Program: Commercial Walk-Through Energy Audit

#### **Program Participation Standards**

- Participation is available to any existing PGS commercial/industrial customer located within participating PGS service areas, apart from natural gas fired cogeneration and interruptible customers, which are excluded from Natural Gas Conservation Cost Recovery (NGCCR) clause recovery.
- This audit will be offered to PGS customers in response to a request for the service.
- When applicable, customers are qualified for participation in other PGS conservation programs.
- 4. There is no payment processing with this program.
- 5. There are no technical specifications on equipment eligibility with this program.
- PGS will report the expenses and participation of this program through the company's annual Demand Side Management filings to the Commission.

**Program: Commercial New Construction Program** 

#### **Program Participation Standards**

- Participation is available to any existing PGS commercial/industrial customer located within PGS service area apart, from natural gas fired cogeneration and interruptible customers which are excluded from NGCCR clause recovery.
- 2. Rebates:
  - \$2,000 per qualifying natural gas range/cooktop system.
  - \$2,500 per qualifying <u>natural gas dryer system</u>.
  - · \$3,500 per qualifying natural gas frver system.
  - Water Heating:
    - \$2,500 per qualifying <u>natural gas ENERGY STAR tank water</u> <u>heating system.</u>
    - \$3,500 per qualifying <u>natural gas tankless water heating system.</u>

- 3. Non-qualifying equipment:
  - · Used or refurbished equipment.
  - · Outdoor kitchens.
  - Outdoor grills.
  - · Firepits, fireplaces, and fire logs.
- 4. Equipment eligibility requirements:
  - Natural gas central heating system must be a thermostatically controlled vented system with blower.
  - · Tankless water heating system must provide a minimum of five GPM.
  - Appliance(s) must be ENERGY STAR certified, apart from:
    - Water heaters with a thermal efficiency greater than 10 percent over current Florida Building Code and Federal Appliance Energy Efficiency Standards whichever is greater also qualify for rebate.
    - Tankless water heaters with an efficiency of at least 82 percent also qualify for rebate.
- The builder or developer will receive the rebate by PGS based upon the actual energy efficiency measure(s) installed. In the event of a customer installation with no builder or developer involvement, PGS will issue the rebate to the customer.
- 6. No payment shall be made by PGS until:
  - Appliances must be installed and in operational condition.
  - A complete and correct participant application has been submitted to the company.
  - Application must include:
    - · All equipment model numbers
    - All equipment serial numbers
    - · Equipment receipts that show paid in full
    - Contractor Invoices (if used) that show paid in full

- PGS reserves the right to ask for additional information in the performance of the
  office verification before rebate payment is made, including performing a field
  verification of the installation.
- PGS will report the expenses and participation of this program through the company's annual Demand Side Management filings to the Commission.

**Program: Commercial Retrofit** 

#### **Program Participation Standards**

 Participation is available to any existing PGS commercial/industrial customer located within PGS service area, apart from natural gas fired cogeneration and interruptible customers which are excluded from NGCCR clause recovery.

#### 2 Rebates:

- \$2,000 per qualifying natural gas range/cooktop.
  - One rebate allowance is authorized per qualifying appliance every 6 years per customer. Multiple appliances are authorized for the same type of natural gas range/cooktop installed up to a capped total rebate amount of \$15,000 per year.
- \$2,500 per qualifying natural gas dryer.
  - One rebate is authorized per qualifying appliance every 5 years per customer. Multiple appliances are authorized for the same type of natural gas dryer installed up to a capped total rebate amount of \$15,000 per year.
- \$3,500 per qualifying natural gas fryer.
  - One rebate allowance is authorized per qualifying appliance every 6 years per customer. Multiple appliances are authorized for the same type of natural gas fryer installed up to a capped total rebate amount of \$15,000 per year.
- \$2,500 for a new <u>natural gas tank water heater</u> that is replacing an existing electric tank water heater.
  - One rebate allowance is authorized per qualifying appliance every 7 years per customer. Multiple appliances are authorized for the same type of natural gas water heater installed up to a capped total rebate amount of \$15,000 per year.
- \$3,500 per qualifying <u>natural gas tankless water heater</u>.
  - One rebate allowance is authorized per qualifying appliance every 10 years per customer. Multiple appliances are authorized for the same type of natural gas water heater installed up to a capped total rebate amount of \$15,000 per year.
- \$500 per ton of installed qualifying <u>natural gas space conditioning</u> <u>equipment</u>.
  - One rebate allowance is authorized per qualifying appliance every 6 years per customer. Multiple appliances are authorized for the same type of natural gas space conditioning installed.

- Non-qualifying equipment:
  - · Used or refurbished equipment.
  - · Portable space conditioning equipment.
- Equipment eligibility requirements:
  - Dryer(s), Fryer(s), and Range(s) must be ENERGY STAR certified.

- Water heater(s) must be ENERGY STAR certified or have a thermal efficiency greater than 10 percent over current Florida Building Code and Federal Appliance Energy Efficiency Standards whichever is greater.
- · Tankless water heater must provide a minimum of five GPM.
- Tankless water heater must be ENERGY STAR certified or have an efficiency of 82 percent or greater.
- The contractor will subtract the rebate paid by PGS from the customer's total cost
  of equipment and installation. In the event of a customer installation with no
  contractor involvement, PGS will issue the rebate to the customer.
- 6. No payment shall be made by PGS until:
  - A complete and correct participant application has been submitted to the company within one year of the receipt purchase date.
  - · Application must include:
    - Equipment purchase date
    - · Equipment model number
    - · Equipment serial number
    - · Picture of equipment serial number
    - Picture of equipment after installation
    - · Equipment receipts that show paid in full
    - · Contractor Invoices (if used) that show paid in full
- PGS reserves the right to ask for additional information in the performance of the office verification before rebate payment is made, including performing a field verification of the installation.
- PGS will report the expenses and participation of this program through the company's annual Demand Side Management filings to the Commission.

#### Program: Commercial Retrofit Combined Heat and Power Program

#### **Program Participation Standards**

- Participation is available to any existing PGS commercial/industrial customer located within PGS service area apart from natural gas fired cogeneration and interruptible customers which are excluded from NGCCR clause recovery.
- Rebates:
  - \$300 per kW of actual demand reduced of installed <u>combined heat and power equipment</u>. 50 percent of eligible rebate will be paid upon completion of project. The remaining 50 percent of rebate will be paid upon demonstrated satisfactory operation of waste heat recovery.
    - One rebate allowance is authorized per customer every 12 years per premise. Multiple appliances are authorized for the same type of natural gas heating system installed.

- 3. Non-qualifying equipment:
  - · Used or refurbished equipment.
- 4. Equipment eligibility requirements:
  - Combined heat and power equipment must be fueled from natural gas and utilize waste heat to displace portions of natural gas usage for on-site heating, cooling, or water heating.
  - Equipment must be rated at 1 MW or less.
- The contractor will subtract the rebate paid by PGS from the customer's total cost
  of equipment and installation. In the event of a customer installation with no
  contractor involvement, PGS will issue the rebate to the customer.
- 6. No payment shall be made by PGS until:
  - A complete and correct participant application has been submitted to the company within one year of the receipt purchase date.
  - · Application must include:
    - · Equipment purchase date
    - Equipment ratings
    - Equipment model number
    - Equipment serial number
    - 12-months of historic electric and natural gas bills
    - · Equipment receipts that show paid in full
    - Contractor Invoices (if used) that show paid in full
- PGS reserves the right to ask for additional information in the performance of the
  office verification before rebate payment is made, including performing a field
  verification of the installation.
- PGS will report the expenses and participation of this program through the company's annual Demand Side Management fillings to the Commission.

#### Program: Commercial Retrofit Electric Replacement Program

#### **Program Participation Standards**

- Participation is available to any existing PGS commercial/industrial customer located within PGS service area, apart from natural gas fired cogeneration and interruptible customers which are excluded from NGCCR clause recovery.
- Rebates:
  - \$100 per kW reduction for qualifying natural gas equipment.
  - Rebate amount paid up to the installation cost, including piping and venting where applicable.
- Non-qualifying equipment:
  - · Used or refurbished equipment.
- There are no technical specifications on equipment eligibility with this program.
- PGS reserves the right to ask for additional information in the performance of the office verification before rebate payment is made, including performing a field verification of the installation.
- PGS will report the expenses and participation of this program through the company's annual Demand Side Management filings to the Commission.

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#### **Program: Commercial Retention**

#### **Program Participation Standards**

 Participation is available to any existing PGS commercial/industrial customer located within PGS service area, apart from natural gas fired cogeneration and interruptible customers which are excluded from NGCCR clause recovery.

#### Rebates:

 Up to the following rebate amounts per qualifying <u>natural gas</u> range/cooktop:

Equipment Cost Eligible Rebate \$0 to \$1,500 \$750 \$1,501 to \$3,000 \$1,000 \$3,001 and up \$1,500

- One rebate allowance is authorized per qualifying appliance every 6 years per customer. Multiple appliances are authorized for the same type of natural gas range/cooktop installed up to a capped total rebate amount of \$15,000 per year.
- . Up to the following rebate amounts per qualifying natural gas dryer:

- One rebate is authorized per qualifying appliance every 5 years per customer. Multiple appliances are authorized for the same type of natural gas dryer installed up to a capped total rebate amount of \$15,000 per year.
- Up to the following rebate amounts per qualifying <u>natural gas fryer</u>:

- One rebate allowance is authorized per qualifying appliance every 6 years per customer. Multiple appliances are authorized for the same type of natural gas fryer installed up to a capped total rebate amount of \$15,000 per year.
- Up to the following rebate amounts per qualifying <u>natural gas tank water</u> <u>heater</u>:

Equipment Cost Eligible Rebate \$0 to \$1,500 \$750 rebate \$1,501 to \$3,000 \$1,000 rebate \$3,001 and up \$1,500 rebate

 One rebate allowance is authorized per qualifying appliance every 7 years per customer. Multiple appliances are authorized for the same type of natural gas water heater installed up to a capped total rebate amount of \$15,000 per year.

 Up to the following rebate amounts per qualifying <u>natural gas tankless</u> water heater:

Equipment Cost Eligible Rebate \$0 to \$1,500 \$750 \$1,501 to \$3,000 \$1,000 \$3,001 and up \$2,000

- One rebate allowance is authorized per qualifying appliance every 10 years per customer. Multiple appliances are authorized for the same type of natural gas water heater installed up to a capped total rebate amount of \$15,000 per year
- \$150 per ton of installed qualifying <u>natural gas space conditioning</u> <u>equipment.</u>
  - One rebate allowance is authorized per qualifying appliance every 6 years per customer. Multiple appliances are authorized for the same type of natural gas space conditioning installed.

- Non-qualifying equipment:
  - · Used or refurbished equipment.
  - Portable space conditioning equipment.
- Equipment eligibility requirements:
  - Dryer(s), Fryer(s), and Range(s) must be ENERGY STAR certified.
  - Water heater(s) must be ENERGY STAR certified or have a thermal efficiency greater than 10 percent over current Florida Building Code and Federal Appliance Energy Efficiency Standards whichever is greater.
  - · Tankless water heater must provide a minimum of five GPM.
  - Tankless water heater must be ENERGY STAR certified or have an efficiency of 82 percent or greater.
- The contractor will subtract the rebate paid by PGS from the customer's total cost
  of equipment and installation. In the event of a customer installation with no
  contractor involvement, PGS will issue the rebate to the customer.
- No payment shall be made by PGS until:
  - A complete and correct participant application has been submitted to the company within one year of the receipt purchase date.
  - Application must include:
    - · Equipment purchase date
    - · Equipment model number
    - Equipment serial number
    - Picture of equipment serial number
    - · Picture of equipment after installation
    - · Equipment receipts that show paid in full
    - · Contractor Invoices (if used) that show paid in full
- PGS reserves the right to ask for additional information in the performance of the
  office verification before rebate payment is made, including performing a field
  verification of the installation.

 PGS will report the expenses and participation of this program through the company's annual Demand Side Management filings to the Commission.

Program: Conservation Research and Development (R&D)

#### **Program Participation Standards**

- Measures for R&D can be residential or commercial in nature and may be either new in the marketplace or existing measures which meet the criteria below:
  - The proposed measure has the potential to affect PGS or its ratepayers.
  - Sufficient data is not currently available to evaluate the impact of the proposed measure.
  - Data on the proposed measure is available but is not relevant to the Florida climate zones.
- 2. Equipment eligibility requirements:
  - Most technology measures are eligible for consideration including energy efficient construction, heat recovery, space conditioning equipment, cooking, water heating, etc.
- PGS will report the expenses and participation of this program through the company's annual Demand Side Management filings to the Commission.