

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Commission review of numeric
conservation goals (Orlando Utilities
Commission).

DOCKET NO. 20240017-EG
ORDER NO. PSC-2024-0433-FOF-EG
ISSUED: September 20, 2024

The following Commissioners participated in the disposition of this matter:

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

FINAL ORDER APPROVING NUMERIC CONSERVATION GOALS
FOR ORLANDO UTILITIES COMMISSION

APPEARANCES:

ROBERT SCHEFFEL WRIGHT and JOHN T. LAVIA, III, ESQUIRES,
Gardner, Bist, Bowden, Dee, LaVia, Wright, Perry & Harper, P.A., 1300
Thomaswood Drive, Tallahassee, Florida 32308
On behalf of Orlando Utilities Commission (OUC).

SEAN T. GARNER, ERIK SAYLER and KELLY WRIGHT, ESQUIRES,
Florida Department of Agriculture & Consumer Service, Office of General
Counsel, The Mayo Building, 407 S. Calhoun Street, Suite 520, Tallahassee,
Florida 32399-0800
On behalf of Florida Department of Agriculture & Consumer Services (FDACS).

BRADLEY MARSHALL and JORDAN LUEBKEMANN, ESQUIRES,
Earthjustice, 111 S. Martin Luther King Jr. Blvd., Tallahassee, Florida 32301
On behalf of Florida Rising, Inc. (FL Rising).

WILLIAM C. GARNER, ESQUIRE, Law Office of William C. Garner, PLLC,
3425 Bannerman Road, Unit 105, No. 414, Tallahassee, Florida 32312
On behalf of Southern Alliance for Clean Energy (SACE).

STEPHANIE U. EATON, ESQUIRE, Spilman, Thomas & Battle, PLLC, 110
Oakwood Drive, Suite 500, Winston-Salem, North Carolina 27103

STEVEN W. LEE, ESQUIRE, Qualified Representative, Spilman, Thomas & Battle, PLLC, 1100 Bent Creek Blvd., Suite 101, Mechanicsburg, Pennsylvania 17050

On behalf of Walmart, Inc. (Walmart).

JACOB IMIG, JON RUBOTTOM, and ADRIA HARPER ESQUIRES, Florida Public Service Commission, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850

On behalf of the Florida Public Service Commission (Staff).

MARY ANNE HELTON, ESQUIRE, Deputy General Counsel, Florida Public Service Commission, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850

Advisor to the Florida Public Service Commission.

KEITH C. HETRICK, ESQUIRE, General Counsel, Florida Public Service Commission, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850

Florida Public Service Commission General Counsel.

BY THE COMMISSION:

Background

Enacted in 1980, Sections 366.80 through 366.83, and 403.519, Florida Statutes (F.S.), are known collectively as the Florida Energy Efficiency and Conservation Act (FEECA). FEECA requires us to adopt appropriate goals to increase the efficiency of energy consumption and, pursuant to Section 366.82(6), F.S., we must review the goals of each utility subject to FEECA at least every five years.

The six electric utilities subject to FEECA, collectively known as the FEECA Utilities, are Florida Power & Light Company (FPL), Duke Energy Florida, LLC (DEF), Tampa Electric Company (TECO), Florida Public Utilities Company (FPUC), JEA, and Orlando Utilities Commission (OUC). Pursuant to Rule 25-17.0021, Florida Administrative Code (F.A.C.), numeric goals were last established for the FEECA Utilities by Order No. PSC-19-0509-FOF-EU, issued November 26, 2019. Therefore, new goals must be established by January 2025.

By Order No. PSC-2024-0022-PCO-EG, issued February 28, 2024, the dockets for each of the FEECA Utilities were consolidated for purposes of hearing and controlling dates and a tentative list of issues were established.

We acknowledged the intervention of the Office of Public Counsel (OPC) on February 28, 2024.¹ We acknowledged the intervention of the Florida Department of Agriculture and

¹ Order No. PSC-2024-0051-PCO-EG.

Consumer Services (FDACS) on April 24, 2024.² Florida Rising, Inc. (Florida Rising) were granted leave to intervene on April 25, 2024.³ The Southern Alliance for Clean Energy (SACE)⁴ and Walmart Inc. (Walmart)⁵ were granted leave to intervene on April 30, 2024. OPC withdrew from the proceeding on May 22, 2024.⁶

Pursuant to Notice and in accordance with Rule 28-106.209, F.A.C., a hearing was held on August 8, 2024, in Tallahassee, Florida, before the above commissioners.

Decision

Legal Background

FEECA directs us to promote four key priorities: (1) reducing and controlling the growth rates of weather-sensitive peak demand and electricity usage, (2) increasing the efficiency and cost-effectiveness of the production and consumption of electricity and natural gas, (3) encouraging demand-side renewable energy systems, and (4) conserving expensive resources, particularly petroleum fuel.⁷ The Legislature emphasized that it is critical to utilize “efficient and cost-effective” conservation systems.⁸ Section 366.82, F.S., bifurcates our responsibility under FEECA into two separately docketed proceedings. First, in the goalsetting dockets, we must establish appropriate goals for increasing the efficiency of energy consumption and increasing the development of demand-side renewable energy systems. Following the adoption of goals, in the plan approval dockets, each FEECA Utility must file plans and programs to meet the goals within its service area. The present docket was opened to address the first, goalsetting portion of our FEECA proceedings for OUC.

FEECA requires that we establish goals designed to increase the conservation of expensive resources, such as petroleum fuels; reduce and control the growth rates of electric consumption; reduce the growth rates of weather-sensitive peak demand; and encourage development of demand-side renewable energy resources.⁹ Section 366.82(3), F.S., prescribes the following criteria for our evaluation of the conservation goals:

In developing the goals, the commission shall evaluate the full technical potential of all available demand-side and supply-side conservation and efficiency measures, including demand-side renewable energy systems. In establishing the goals, the commission shall take into consideration:

- (a) The costs and benefits to customers participating in the measure.

² Order No. PSC-2024-0128-PCO-EG.

³ Order No. PSC-2024-0135-PCO-EG.

⁴ Order No. PSC-2024-0139-PCO-EG.

⁵ Order No. PSC-2024-0194-PCO-EG.

⁶ DN 00854-2024.

⁷ See Sections 366.81-366.82, F.S.

⁸ Section 366.81, F.S.

⁹ Section 366.82(2), F.S.

- (b) The costs and benefits to the general body of ratepayers as a whole, including utility incentives and participant contributions.
- (c) The need for incentives to promote both customer-owned and utility-owned energy efficiency and demand-side renewable energy systems.
- (d) The costs imposed by state and federal regulations on the emission of greenhouse gases.

The Commission implements FEECA for electric utilities through Rule 25-17.0021, F.A.C. Pursuant to that rule, for each FEECA Utility, we establish annual kilowatt (KW) and kilowatt-hour (KWh) goals for Residential and Commercial/Industrial customer classes.¹⁰ The goals are based on (1) an assessment of the technical potential of available conservation and efficiency measures, and (2) an estimate of the total cost-effective KW and KWh savings reasonably achievable through demand-side management (DSM) programs in each utility's service area over a ten-year period.¹¹ The goals we establish are annual targets for conservation, with KW goals relating to seasonal—summer and winter—demand savings, and annual KWh goals relating to annual energy savings.

Following the last goalsetting proceedings in 2019, after receiving feedback from the utilities, intervenors, and interested persons, we amended Rule 25-17.0021, F.A.C., to streamline our FEECA process by requiring utilities to file potential conservation programs along with their proposed goals. This allows us to analyze the utilities' proposed goals based upon energy (KWh) and demand (KW) savings from customer participation in potential programs they plan to implement, thus giving us better information as to the appropriateness of the goals. Thus, although utility conservation plans and the underlying programs and measures to implement those plans are not approved at this time, each utility must include sufficient information related to the cost-effectiveness of its potential DSM programs to support the appropriateness of its proposed goals.¹²

Analysis

Pursuant to Section 366.82, F.A.C., we must evaluate whether the goals requested by OUC are appropriate. Pursuant to the Prehearing Order, Order No. PSC-2024-0293-PHO-EG, issued August 2, 2024, a final list of issues was established for the consolidated hearing. Issues 1-7 address whether each utility, in developing its proposed goals, adequately addressed the considerations prescribed by statute and Commission rule. Issue 8 addresses, for the purpose of establishing goals for rate-regulated utilities, whether we should consider changing credit levels for demand response programs in the FEECA goalsetting proceedings or in their base rate proceedings. Because OUC is a municipal utility, Issue 8 was moot for OUC. Issues 9-11 were specific only to FPL's docket and thus not at issue for OUC. Issues 12 and 13 are the ultimate issues addressing, in light of the preceding issues, what conservation goals we should establish for OUC as required by Section 366.82, F.S.

¹⁰ Rule 25-17.0021(1), F.A.C.

¹¹ *Id.*

¹² Section 366.82(7), F.S., addresses how we must evaluate and approve the utilities' plans to implement the Commission-established goals during the subsequent plan approval proceeding.

Following a robust discovery process, we were presented with a series of proposed Type II stipulations,¹³ set forth below in Attachment A, that fully resolved all issues in this docket. OUC, Florida Rising, and SACE. Walmart and FDACS took no position on all issues. Commission staff recommended approval of the proposed stipulations. We approved the proposed stipulations by a bench vote at the August 8, 2024, hearing.

We find that each of the stipulations are supported by evidence in the record. We also find that the testimony and exhibits in the record adequately address the statutory considerations required by Section 366.82(3), F.S., and demonstrate that the goals stipulated for Issues 12 and 13, as set forth in Attachment A, will increase the conservation of expensive resources, such as petroleum fuels; reduce and control the growth rates of electric consumption; reduce the growth rates of weather-sensitive peak demand; and encourage development of demand-side renewable energy resources. In particular, we found the testimony and exhibits of OUC witnesses Jim Herndon, Kevin Noonan, and Bradley Kushner, as well as the discovery responses provided by OUC, support our finding that the stipulated goals are reasonable and consistent with the requirements of Section 366.82, F.S., and Rule 25-17.0021, F.A.C. For these reasons, we find the stipulated goals to be appropriate.

Conclusion

The stipulations listed in Attachment A address all the requirements of FEECA enumerated in Section 366.82, F.S., and satisfy the requirements of Rule 25-17.0021, F.A.C. Further, the conservation goals stipulated in Issues 12 and 13 are appropriate to advance the priorities of FEECA. Therefore, the goals stipulated in Issues 12 and 13 are adopted for OUC for the period 2025-2034.

Based on the foregoing, it is

ORDERED that Orlando Utilities Commission shall abide by the stipulations, findings, and rulings herein. It is further

ORDERED that Orlando Utilities Commission's residential and commercial/industrial summer and winter megawatt (MW) and annual gigawatt-hour (GWh) goals are adopted as set forth in Attachment A, Paragraph 6, Issue 12. It is further

ORDERED that Orlando Utilities Commission should continue to implement the provisions of Rule 25-6.065, F.A.C., Interconnection and Net Metering of Customer-Owned Renewable Generation, as an appropriate means to encourage the development of demand-side renewable energy. It is further

¹³ A Type II stipulation is one in which the utility and Commission staff, or the utility and at least one party adversarial to the utility, agree on the resolution of an issue, and the remaining parties (including staff if they do not join in the agreement) do not object to the Commission relying on the agreed language to resolve that issue in a final order.

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ORDERED that this docket shall be closed after the time for filing an appeal has run.

By ORDER of the Florida Public Service Commission this 20th day of September, 2024.



ADAM J. TEITZMAN
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 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.

Any party adversely affected by the Commission's final action in this matter may request:

- 1) reconsideration of the decision by filing a motion for reconsideration with the Office of Commission Clerk, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, within fifteen (15) days of the issuance of this order in the form prescribed by Rule 25-22.060, Florida Administrative Code; or
- 2) judicial review by the Florida Supreme Court in the case of an electric, gas or telephone utility or the First District Court of Appeal in the case of a water and/or wastewater utility by filing a notice of appeal with the Office of Commission Clerk, 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 after the issuance 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.

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Commission Review of Numeric) DOCKET NO. 20240017-EG
Conservation Goals for)
Orlando Utilities Commission) Filed: August 6, 2024
_____)

STIPULATIONS

Orlando Utilities Commission (“OUC”), Florida Rising, Inc. (“Florida Rising”), and the Southern Alliance for Clean Energy, Inc. (“SACE”) (hereinafter referred to individually as “Party” or collectively as “Parties”), hereby agree to submit for approval by the Florida Public Service Commission (“Commission”) the following stipulations to fully resolve the Parties’ respective issues in Docket No. 20240017-EG (the “OUC Goals Docket”) on the following terms and conditions:

1. The Parties stipulate to having all pre-filed testimony and exhibits filed in this docket entered into the record, specifically the following:
 - a. The Direct Testimony of OUC witness Jim Herndon, along with Exhibits JH-1 through JH-16;
 - b. The Direct Testimony of OUC witness Kevin M. Noonan, along with Exhibits KMN-1 through KMN-5;
 - c. The Direct Testimony of OUC witness Bradley E. Kushner, along with Exhibits BEK-1 through BEK-3;
 - d. The Rebuttal Testimony of OUC witness Kevin M. Noonan, along with Exhibit KMN-6; and
 - e. The Direct Testimony of Florida Rising witness MacKenzie Marcelin, along with Exhibits MM-1 through MM-14, MM-19, MM-24 through MM-25, and MM-35.

2. The Parties agree to waive cross-examination of all witnesses in Docket No. 20240017-EG and, upon Commission approval, have no objection to all of the above-named witnesses being excused from appearing at the hearing.
3. The Parties stipulate to having the following exhibits identified on Staff's Comprehensive Exhibit List entered into the record for Docket No. 20240017-EG: 74-87, 88-101, 106, 111-112, 122, 148, 214-222, 223-224, 714-747, 767, 772, and 783.
4. The Parties stipulate and agree that OUC's proposed DSM Goals for the ten-year period of 2025-2034 shall be modified as follows:
 - a. The annual megawatt-hour (MWH) goal for OUC's proposed Residential Efficiency Delivered program for 2025 shall be 110 MWH, and the annual goal shall be increased by 5 MWH per year each year thereafter through 2034, such that the goal in 2034 shall be 155 MWH, and OUC's Residential sector and total summer peak demand and winter peak demand reduction goals shall be increased correspondingly, with OUC's new MWH and peak demand MW goals being as shown in the stipulated position on Issue 12 below; provided, however, the Parties agree that OUC's DSM Goals associated participation levels shall be reassessed and reset in the next DSM Goals docket to be filed in 2029.
 - b. Additionally, to enhance OUC's energy conservation outreach efforts to OUC's low-income customers, OUC will commit to distribute 1,000 Energy Efficiency Kits per year to low-income-customers through appropriate marketing channels, neighborhood association meetings, partnering low-income service agencies, and related means. These Kits will be over and above the Energy Efficiency Kits that OUC already distributes to customers with its Residential Energy Surveys (energy audits). Each Kit distributed pursuant to this low-income customer initiative will include four (4) 9-watt (9W) LED light bulbs, 17 feet of weather-stripping, and two LED night-lights. (For clarity, OUC will continue to distribute its remaining inventory of Kits that contain 2 9W LED bulbs to customers receiving a Home Energy Survey, until that inventory is exhausted, after which all Energy Efficiency Kits, both those distributed through this low-income initiative and those distributed through OUC's Home Energy Surveys, will contain 4 9W LED bulbs.) This Energy Efficiency Kits measure is a behavioral measure that will not be reflected in changes to OUC's numeric MWH and MW goals, but the numeric participation goal is part of the stipulation that the Parties ask the PSC to approve as part of its order

approving OUC's Energy Conservation Goals in the Goals Docket. Any Party to these Stipulations may propose changes to this behavioral measure and participation goal in OUC's next (2029) Energy Conservation Goals Docket.

- c. The programs included in OUC's DSM portfolio will not be capped or discontinued if the sector-level goals are achieved.
5. The Parties stipulate and agree that the modifications and addition set forth in Paragraph 4 above are a reasonable compromise of competing positions set forth in the testimony and exhibits submitted by the OUC and Florida Rising witnesses.
 6. Subject to the modifications of OUC's proposed DSM goals as set forth in Paragraph 4 above, the Parties stipulate to the following positions on each of the Issues set forth in the Prehearing Order:

Issue 1: The Parties stipulate and agree that the record supports a Commission finding that OUC's proposed DSM Goals, as modified herein, are based on an adequate assessment of the full technical potential of all available demand-side and supply-side conservation and efficiency measures, including demand-side renewable energy systems.

Issue 2: The Parties stipulate and agree that the record supports a Commission finding that OUC's proposed DSM Goals, as modified herein, are based on savings reasonably achievable through demand-side management programs over a ten-year period.

Issue 3: The Parties stipulate and agree that the record supports a Commission finding that OUC's proposed DSM Goals, as modified herein, adequately reflect the costs and benefits to customers participating.

Issue 4: The Parties stipulate and agree that the record supports a Commission finding that OUC's proposed DSM Goals, as modified herein, adequately reflect the costs and benefits to the general body of rate payers as a whole, including utility incentives and participant contributions.

Issue 5: The Parties stipulate and agree that the record supports a Commission finding that OUC's proposed DSM Goals, as modified herein, adequately reflect the need for incentives to promote both customer-owned and utility-owned energy efficiency and demand side renewable energy systems.

Issue 6: The Parties stipulate and agree that the record supports a Commission finding that OUC's proposed DSM Goals, as modified herein, adequately

reflect the costs imposed by state and federal regulations on the emissions of greenhouse gases.

Issue 7: The Parties stipulate and agree that the record supports a Commission finding that OUC’s proposed DSM Goals, as modified herein, appropriately reflect consideration of free riders.

Issue 8a: **Not an issue in OUC’s Docket No. 20240017-EG.**

Issue 8b: **Not an issue in OUC’s Docket No. 20240017-EG.**

Issue 9: **Not an issue in OUC’s Docket No. 20240017-EG.**

Issue 10: **Not an issue in OUC’s Docket No. 20240017-EG.**

Issue 11: **Not an issue in OUC’s Docket No. 20240017-EG.**

Issue 12: The Parties stipulate and agree that to reflect the modifications agreed to in Paragraph 4 above, OUC’s proposed numeric DSM Goals for annual energy (MWH) savings and summer and winter peak MW reductions shall be as shown in the following table for the period 2025 through 2034.

Orlando Utilities Commission - Proposed Numeric Demand and Energy Goals (2025 - 2034) ¹									
Year	Residential			Commercial / Industrial			Total		
	Summer Peak Demand Reduction (MW)	Winter Peak Demand Reduction (MW)	Annual Energy Reduction (MWH)	Summer Peak Demand Reduction (MW)	Winter Peak Demand Reduction (MW)	Annual Energy Reduction (MWH)	Summer Peak Demand Reduction (MW)	Winter Peak Demand Reduction (MW)	Annual Energy Reduction (MWH)
2025	0.111	0.181	1,072	0.485	0.380	3,207	0.597	0.561	4,279
2026	0.113	0.192	1,129	0.534	0.411	3,508	0.646	0.604	4,638
2027	0.114	0.203	1,186	0.577	0.438	3,769	0.691	0.641	4,955
2028	0.116	0.214	1,243	0.620	0.463	4,019	0.736	0.677	5,262
2029	0.118	0.225	1,301	0.661	0.485	4,247	0.779	0.711	5,548
2030	0.121	0.236	1,357	0.697	0.505	4,446	0.817	0.741	5,803
2031	0.124	0.247	1,419	0.726	0.520	4,605	0.850	0.767	6,024
2032	0.128	0.260	1,489	0.746	0.529	4,715	0.874	0.789	6,204
2033	0.133	0.275	1,569	0.755	0.532	4,770	0.888	0.807	6,339
2034	0.139	0.291	1,659	0.754	0.529	4,767	0.893	0.820	6,425

¹. Totals may not add due to rounding.

Issue 13: The Parties stipulate and agree that the record supports a Commission finding that no additional goals should be established for demand-side renewable energy systems.

Issue 14: The Parties stipulate and agree that approval of the stipulations set forth herein will fully resolve the issues and positions of all Parties to this docket


and, therefore, this docket should be closed upon the issuance of an Order approving these stipulations.

7. The Parties stipulate and agree that OUC's proposed DSM Goals, as modified herein, deliver meaningful energy-efficiency savings options to all customers including owners, renters, and low-income customers, and should be approved.
8. The Parties stipulate and agree that OUC's proposed DSM Goals, as modified herein, constitute a reasonable approach to meet the requirements of Section 366.82, Florida Statutes, and Rules 25-17.0021 and 25-17.008, Florida Administrative Code, and will establish DSM Goals at a reasonable and appropriate level for the period 2025 through 2034 and should be approved.
9. The Parties stipulate and agree that the stipulations and positions set forth herein are limited and apply only to OUC's proposed DSM Goals in Docket No. 20240017-EG, and in no way impact or limit any of the positions that Parties may take in any other current or future proceedings before the Commission, including, but not limited to, any other DSM Goals dockets currently pending before the Commission. Further, no Party agrees, concedes, or waives any position with respect to any of the issues identified in the Prehearing Order.
10. The Parties stipulate and agree that these stipulations fully resolve their respective issues in this proceeding and request that they be approved by the Commission.


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In Witness Whereof, OUC, Florida Rising, and SACE evidence their acceptance and agreement with all provisions of these stipulations by their signature.

Orlando Utilities Commission

By: 
Robert Scheffel Wright
Gardner, Bist Bowden, Dec, LaVia, Wright, Perry & Harper, P.A.
1300 Thomaswood Drive
Tallahassee, Florida 32308

Florida Rising, Inc.

By: 
Bradley Marshall/Jordan Luebke
Earthjustice
111 S. Martin Luther King Jr. Blvd.
Tallahassee FL 32301

Southern Alliance for Clean Energy, Inc.

By: _____
William C. Garner
Law Office of William C. Garner, PLLC
3425 Bannerman Rd. Unit 105, No. 414
Tallahassee FL 32312

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By: _____
Robert Scheffel Wright
Gardner, Bist Bowden, Dee, LaVia, Wright, Perry & Harper, P.A.
1300 Thomaswood Drive
Tallahassee, Florida 32308

Florida Rising, Inc.

By: _____
Bradley Marshall/Jordan Luebke
Earthjustice
111 S. Martin Luther King Jr. Blvd.
Tallahassee FL 32301

Southern Alliance for Clean Energy, Inc.

By: 
William C. Garner
Law Office of William C. Garner, PLLC
3425 Bannerman Rd. Unit 105, No. 414
Tallahassee FL 32312