

State of Florida



Public Service Commission  
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COMMISSION CLERK

**DATE:** SEPTEMBER 20, 2001

**TO:** DIRECTOR, DIVISION OF THE COMMISSION CLERK &  
ADMINISTRATIVE SERVICES (BAYÓ)

**FROM:** DIVISION OF SAFETY & ELECTRIC RELIABILITY (HARLOW) <sup>23</sup>  
DIVISION OF LEGAL SERVICES (ELIAS) <sup>2117</sup>

*9/20/01 JDS*

**RE:** DOCKET NO. 010992-EG - PETITION BY FLORIDA PUBLIC  
UTILITIES COMPANY FOR APPROVAL OF CONSERVATION PLAN

**AGENDA:** 10/2/01 - REGULAR AGENDA - PROPOSED AGENCY ACTION -  
INTERESTED PERSONS MAY PARTICIPATE

**CRITICAL DATES:** NONE

**SPECIAL INSTRUCTIONS:** NONE

**FILE NAME AND LOCATION:** S:\PSC\SER\WP\010992.RCM

**CASE BACKGROUND**

The Florida Energy Efficiency and Conservation Act (FEECA), Chapter 366.82, Florida Statutes, requires the Commission to adopt goals to reduce and control the growth rates of electric consumption and weather-sensitive peak demand. In Order No. PSC-00-1029-PAA-EG, (issued May 24, 2000 in Docket No. 990721-EG), the Commission approved numeric conservation goals for the Florida Public Utilities Company (FPUC).

Rule 25-17.0021(4), Florida Administrative Code, requires that following Commission approval of numeric conservation goals, each utility shall submit a demand-side management plan (DSM) designed to meet the utility's goals. FPUC apparently timely filed its DSM Plan after the Commission's order was issued approving the numeric goals. This document was filed in Docket No. 990721-EG, and did not include a petition for approval of the plan. The programs contained in FPUC's DSM Plan are the same programs that were

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reviewed by staff during FPUC's goal setting process. In June, 2001, staff requested that FPUC re-file the document with a petition for approval. On July 17, 2001, FPUC filed its DSM Plan and petition for approval. FPUC requests approval of its DSM Plan, including approval for cost recovery.

**DISCUSSION OF ISSUES**

**ISSUE 1:** Should Florida Public Utilities Company's (FPUC) demand-side management (DSM) plan be approved, including approval for cost recovery?

**RECOMMENDATION:** Yes. FPUC's DSM Plan should be approved because the Plan: 1) meets the objectives of Rule 25-17.001 and FEECA; 2) contains programs that appear to be cost-effective and directly monitorable; and, 3) appears to meet FPUC's numeric conservation goals.

**STAFF ANALYSIS:** FPUC's proposed DSM Plan contains eight programs, including four residential programs, two commercial/industrial (C/I) programs, and two educational programs. A summary of each of these programs is included as Attachment A.

In Order No. 22176, issued November 14, 1989, the Commission stated that conservation programs will be judged by the following criteria:

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 does it yield measurable results?
3. Is each component program cost-effective?

The programs contained in FPUC's Plan are the same programs that were reviewed by staff during FPUC's goal setting process. Staff believes that the DSM programs in FPUC's Plan meet the Commission's three-pronged test. FPUC's DSM programs advance the policy objectives of FEECA and Commission rules, appear to be directly monitorable and should yield measurable results. Each program is cost-effective under the Rate Impact Measure test. The resulting demand and energy savings also appear to meet the numeric goals set by the Commission in Order No. PSC-00-1029-PAA-EG, issued May 24, 2000. Staff therefore recommends that FPUC's DSM Plan be approved, including approval for cost recovery through the Energy Conservation Cost Recovery clause.

**ISSUE 2:** Should Florida Public Utilities Company (FPUC) be required to submit detailed program participation standards?

**RECOMMENDATION:** Yes. FPUC should file detailed program participation standards within 30 days of the issuance of the order. Staff should administratively approve these standards if they conform to the description of the programs contained in FPUC's approved DSM Plan.

**STAFF ANALYSIS:** FPUC's DSM Plan contains a brief description of the participation standards for each program in the Plan. FPUC should provide a separate document containing proposed participation standards which clearly states: 1) the requirements for participation in the programs, 2) eligibility requirements, 3) details on how rebates or incentives will be processed, 4) technical specifications on equipment eligibility, and 5) necessary reporting requirements. Staff should administratively approve these standards if they conform to the description of the programs contained in FPUC's approved DSM Plan.

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**ISSUE 3:** Should this docket be closed?

**RECOMMENDATION:** Yes, this docket should be closed upon issuance of a Consummating Order unless a person whose substantial interests are affected by the Commission's proposed agency action files a protest within 21 days of the issuance of the order.

**STAFF ANALYSIS:** If no person whose substantial interests are affected by the Commission's proposed agency action files a protest within 21 days of the issuance of the order, this docket should be closed upon issuance of a Consummating Order.

**Attachment A**

**RESIDENTIAL PROGRAMS**

- **Residential Geothermal Heat Pump:** This existing program promotes the installation of advanced and emerging geothermal systems. Participants in single-family dwellings are guaranteed heating and cooling costs for two years. If forecasted heating and cooling costs are exceeded, FPUC pays the difference. Multi-family installations receive a \$500 rebate.
- **GoodCents Home/Energy Star Program:** GoodCents is an existing program which encourages the design and construction of energy efficient homes. FPUC works with licensed contractors in evaluating current design and building practices compared to those which could receive certification under the program. Certification requires the installation of measures with efficiencies higher than is required by the current building code. Homes may also qualify to receive the nationally recognized Energy Star efficiency label.
- **GoodCents Energy Surveys:** This is an existing energy audit program which currently offers walk-through audits. FPUC intends to study the potential of expanding this program to include internet audits in the future. Customers are provided with specific whole-house recommendations, including the identification of potential duct leakage problems.
- **GoodCents Loan Program:** This program provides financing for up to \$20,000 for a period of up to 12 years to customers that choose to install specified conservation measures in existing homes. Potential energy efficiency measures are identified during GoodCents Energy Surveys.

**COMMERCIAL/INDUSTRIAL**

- **GoodCents Commercial Buildings:** Under this existing program, FPUC certifies commercial buildings which meet efficiency requirements higher than the Florida Model Energy Code standards. FPUC analyses the projected energy requirements of building designs and provides builders with options to make the structure more energy efficient.

- **GoodCents Commercial Technical Assistance Audit:** FPUC provides walk-through inspections of existing C/I buildings and recommends energy efficiency measures to building owners and operators.

#### **EDUCATION PROGRAMS**

- **Low Income:** This program provides basic energy education and informs customers of other services provided by FPUC, including energy surveys. The program also identifies low cost or no cost energy conservation measures.
- **Affordable Housing Builders and Providers:** This program provides educational seminars to affordable housing contractors in FPUC's territory. FPUC works with the Florida Energy Extension Service and other seminar sponsors to offer a minimum of two seminars per year. Seminar topics include energy efficient construction, retrofit programs, and financing programs.