

VOTE SHEET

August 31, 2010

Docket No. 100160-EG – Petition of approval of demand-side management plan of Progress Energy Florida, Inc.

Issue 1: Does PEF’s proposed Demand-Side Management (DSM) Plan satisfy the Company’s numeric conservation goals set by the Commission in Order No. PSC-09-0855-FOF-EG and subsequently revised in Order No. PSC-10-0198-FOF-EG?

Recommendation: No. PEF’s proposed DSM Plan fails to meet its annual residential goals in any category for the first six years. Similarly, the Company’s Plan does not meet all the annual commercial/industrial goals by as early as 2011. PEF’s failure to meet its annual conservation goals may result in financial penalties or other appropriate action.

Consistent with Section 366.82(7), F.S., PEF should file specific program modifications or additions that are needed in order for the 2010 DSM Plan to be in compliance with Order No. PSC-10-0198-FOF-EG within 30 days of the Commission’s Order in this docket.

DEFERRED

COMMISSIONERS ASSIGNED: All Commissioners

COMMISSIONERS’ SIGNATURES

MAJORITY

DISSENTING

Five horizontal lines for majority signatures.

Five horizontal lines for dissenting signatures.

REMARKS/DISSENTING COMMENTS: Deferred to the September 14, 2010 Commission Conference.

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Issue 2: Are the programs contained in PEF's proposed 2010 DSM Plan cost-effective as this criterion is used in Commission Order No. PSC-09-0855-FOF-EG?

Recommendation: Yes. All programs in PEF's proposed 2010 DSM Plan pass the E-TRC and Participants tests. Audits, Pilot Programs, and Research & Development programs are not included in this evaluation because they are not required to pass cost-effectiveness testing. Staff recommends that PEF should be required to file program standards within 30 days of the Commission's Order in this docket. As discussed in Issue 4, for some programs, PEF has not justified the level of incentives assumed at this time and should not be authorized to recover incentives that exceed the cost of the measure.

The Commission should approve cost-effective programs to allow PEF to file for cost recovery. However, staff recommends that PEF should still demonstrate, during the cost recovery proceeding, that expenditures in executing its DSM Plan were reasonable and prudent. In addition, the Commission should evaluate PEF's compliance filing and make a final determination at that time regarding the cost-effectiveness of any modified or new programs.

DEFERRED

Issue 3: Does PEF's proposed DSM Plan include pilot programs that encourage the development of solar water heating and solar PV technologies consistent with Commission Order No. PSC-09-0855-FOF-EG?

Recommendation: Yes. The cost of the proposed pilot programs is within the annual expenditure cap of \$6,467,592 as specified by Commission Order No. PSC-09-0855-FOF-EG. However, the allocation of funds to: (1) solar thermal vs. solar PV, (2) private customers vs. public institutions, and (3) low-income residential varies widely among the investor-owned utilities. If the Commission desires to have more uniformity among the IOUs' programs, then the Commission should initiate public workshops to explore that issue further.

DEFERRED

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Issue 4: Do any of the programs in PEF's proposed DSM Plan have an undue impact on the costs passed on to customers?

Recommendation: No. The proposed programs costs are not undue because the increase in program costs correlates with the increase in goals. However, inappropriate incentive levels for certain measures may be contributing to higher than necessary costs in some programs. Because PEF has not justified the level of incentives assumed at this time, staff recommends that PEF should not be authorized to recover the costs of such incentives. The Commission should evaluate the Company's compliance filing and make a final determination in the ECCR clause proceedings regarding the appropriateness of incentive levels.

DEFERRED

Issue 5: Should this docket be closed?

Recommendation: No. This docket should remain open in order for PEF to refile its demand-side management plan within 30 days from the date of this Order. In addition, if the Commission approves any programs, the programs should become effective on the date of the Consummating Order. If a protest is filed within 21 days of the issuance of the Order, the programs should not be implemented until after the resolution of the protest.

DEFERRED