

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

**In re: Request to Opt-Out of Cost Recovery
for Investor-Owned Electric Utility Energy
Efficiency Programs by Wal-Mart Stores East,
LP and Sam's East, Inc. and Florida Industrial
Power Users Group**

DOCKET NO. 140226-EI

Filed: May 20, 2015

**SURREBUTTAL TESTIMONY AND EXHIBITS OF
JEFFRY POLLOCK**

**ON BEHALF OF
THE FLORIDA INDUSTRIAL POWER USERS GROUP**



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LIST OF ACRONYMS

| Term | Definition |
|-----------------------|--|
| CO₂ | Carbon Dioxide |
| CPP | Clean Power Plan |
| DEF | Duke Energy Florida |
| EE | Energy Efficiency |
| FEECA | Florida Energy Efficiency & Conservation Act |
| FIPUG | Florida Industrial Power Users Group |
| FPL | Florida Power & Light Company |
| GWh | Gigawatt Hour |
| Gulf | Gulf Power Company |
| kWh | Kilowatt Hour |
| MW | Megawatt |
| RIM | Ratepayer Impact Measure |
| TECO | Tampa Electric Company |

SURREBUTTAL TESTIMONY OF JEFFRY POLLOCK

1 **Q PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.**

2 A Jeffry Pollock; 12647 Olive Blvd., Suite 585, St. Louis, MO 63141.

3 **Q ARE YOU THE SAME JEFFRY POLLOCK WHO HAS PREVIOUSLY FILED**
4 **DIRECT TESTIMONY IN DOCKET NO. 140002-EI ADDRESSING THE**
5 **PROPOSED OPT-OUT PROVISION ON BEHALF OF THE FLORIDA**
6 **INDUSTRIAL POWER USERS GROUP (FIPUG)?**

7 A Yes.

8 **Q WHAT IS THE PURPOSE OF YOUR SURREBUTTAL TESTIMONY?**

9 A I will clarify the proposed opt-out provision to address the objections raised in the
10 Rebuttal Testimony filed by Duke Energy Florida (DEF), Florida Power and Light
11 Company (FPL), Gulf Power Company (Gulf) and Tampa Electric Company
12 (TECO). Specifically, I will explain how the current proposal is different from
13 proposals that the Commission has previously considered, and why an opt-out
14 provision can better position the utilities and the State of Florida to address
15 changing environmental regulations.

16 **Q WHAT OBJECTIONS WERE RAISED IN THE REBUTTAL TESTIMONY?**

17 A The utilities objected to the opt-out proposal for various reasons. The primary
18 reasons include:

- 19 • An opt-out is contrary to past Commission findings that cost-
20 effective energy efficiency (EE) programs benefit all customers¹;

¹ FPL – Rebuttal Testimony of Thomas R. Koch at 3-4; TECO – Rebuttal Testimonies of Mark R. Roche at 2-4, 8-10 and Terry Deason at 4-5; DEF – Rebuttal Testimony of Tim Duff at 5-6 ; Gulf – Rebuttal Testimony of Jennifer L. Todd at 3-5.

- 1 • Allowing some customers to opt-out of paying for utility-funded EE
2 programs will impose an undue burden (to the point of possibly
3 discriminating against) customers that do not, or cannot opt-out,
4 thereby jeopardizing the sustainability of programs implemented
5 through the Florida Energy Efficiency & Conservation Act
6 (FEECA)²;
- 7 • The utilities will incur additional administrative costs to implement
8 an opt-out provision, which they propose to recover from customers
9 that choose to opt-out³;
- 10 • Allowing customers to aggregate all of their accounts in the utility's
11 service area would violate the Commission conjunctive billing rule
12 and would be both costly and administratively burdensome⁴;
- 13 • An opt-out would potentially disrupt the utility's ability to achieve the
14 goals established by the Commission and add another layer of
15 complexity⁵; and
- 16 • The Commission may not have jurisdiction to authorize an opt-out
17 without further legislative guidance.⁶
- 18 The last objection is a legal issue and will be addressed by Counsel.

19 **Consistency with Past Commission Findings**

20 **Q IS THIS THE SAME OPT-OUT PROPOSAL THAT THE COMMISSION HAS**
21 **REVIEWED IN PAST CASES?**

22 **A** No. The premise for the current opt-out proposal is to empower customers who
23 can document that their self-funded energy efficiency (EE) programs have resulted
24 in peak demand and/or energy savings that can be counted toward meeting the
25 Commission-approved conservation goals for each utility. It is not to provide a free

² FPL – Rebuttal Testimony of Renae B. Deaton at 6; TECO – Rebuttal Testimonies of Mark R. Roche at 5-9 and Terry Deason at 8-12.

³ TECO – Rebuttal Testimony of Terry Deason at 22; DEF – Rebuttal Testimony of Tim Duff at 10; Gulf – Rebuttal Testimony of Jennifer L. Todd at 5-6.

⁴ FPL – Rebuttal Testimony of Renae B. Deaton at 5; DEF – Rebuttal Testimony of Tim Duff at 9-10.

⁵ TECO – Rebuttal Testimony of Terry Deason at 20-22; DEF – Rebuttal Testimony of Tim Duff at 11; Gulf – Rebuttal Testimony of Jennifer L. Todd at 6-8.

⁶ DEF – Rebuttal Testimony of Tim Duff at 3.

1 ride or to allow customers to avoid paying their fair share of EE costs, which the
2 utilities assert would shift these costs to the utility's remaining customers. Thus
3 two criteria must be satisfied to be eligible to opt-out of paying for utility-directed
4 EE. First, a customer must deploy EE. Second, the customer must certify that its
5 self-directed EE is producing energy and/or peak demand savings in such a
6 manner that the savings can be counted by the utility to meet its conservation
7 goals. However, this is no different in concept from the utility directing its own cost-
8 effective EE program for the benefit of its customers and providing documentation
9 that the programs are producing the intended savings as a pre-requisite for cost
10 recovery.

11 **Q DOES THE CURRENT OPT-OUT PROPOSAL CONTRADICT PAST**
12 **COMMISSION PRONOUNCEMENTS THAT COST-EFFECTIVE ENERGY**
13 **EFFICIENCY BENEFITS ALL CUSTOMERS?**

14 **A** No. FIPUG acknowledges that cost-effective EE programs can benefit all
15 customers, though not equally. However, the benefits inure regardless of who self-
16 directs and funds the EE program: the utility or individual customers.

17 **Q WHAT PROBLEMS IS AN OPT-OUT PROVISION DESIGNED TO CORRECT?**

18 **A** An opt-out provision would place all EE, regardless of who provides it, on a level
19 playing field. For example, only utility-directed EE is counted toward meeting the
20 approved conservation goals. However, an opt-out provision would allow self-
21 directed EE savings to also be counted toward meeting the Commission-approved
22 conservation goals. Thus, the utility could spend less money while still achieving
23 its goals.

1 Similarly, all customers pay for utility-directed EE because they benefit from
2 utility-directed EE. However, customers that self-direct their EE are required to
3 pay for it even though all customers benefit from self-directed EE. The proposed
4 opt-out provision (that requires self-directed customers to document the savings
5 before they can be counted toward meeting the utility's goals) would provide better
6 matching between cost-causation and benefits. All customers that benefit from
7 (*i.e.*, utility-directed and self-directed) EE would pay for the costs. The utility's
8 customers would pay for the utility's EE programs while self-directed customers
9 would pay for their EE programs.

10 **No Adverse Impact on Other Customers**

11 **Q WILL AN OPT-OUT PROVISION SHIFT COSTS AND PLACE AN UNDUE**
12 **BURDEN ON THE REMAINING CUSTOMERS?**

13 **A** No. The proposed opt-out provision will not adversely impact the utility's remaining
14 customers. The only circumstance in which customers could be impacted is if the
15 utility ignores the documented savings from the opt-out customers and continues
16 to incur the same level of EE program costs. However, ignoring documented EE
17 program savings from opt-out customers would not be prudent.

18 The proposed opt-out requires a customer to document the peak demand
19 and energy savings under its EE programs. By including the energy and peak
20 demand savings from self-directed customers, the utility should be able to achieve
21 its Commission-approved goals even though it may spend much less on its existing
22 conservation program. Thus, if the utility incurs less costs to achieve the same
23 objectives, the remaining customers should not pay higher rates. There would be
24 no cost shifting and therefore no undue burden placed on the utility's remaining
25 customers as a result of the current opt-out proposal.

1 To summarize, an opt-out would not cause a death-spiral, or threaten the
2 integrity of EE programs implemented through Florida Energy Efficiency &
3 Conservation Act (FEECA).

4 **Q VARIOUS UTILITY WITNESSES ASSERT THAT ALL CUSTOMERS BENEFIT**
5 **FROM COST-EFFECTIVE ENERGY EFFICIENCY PROGRAMS. DO ALL**
6 **CUSTOMERS BENEFIT EQUALLY?**

7 **A** No. First, the statement that all customers benefit from cost-effective EE programs
8 would only be true if the ratepayer impact measure (RIM) test is used to measure
9 cost-effectiveness. However, the Commission has not always relied on RIM for
10 establishing each utility's conservation goals.

11 Second, the RIM test does not mean that the benefits of cost-effective EE
12 programs flow equally to all customers on a per-kilowatt hour (kWh) basis. This is
13 because EE programs also provide some capacity savings. Capacity-related costs
14 are not caused by kWh usage. Thus, a proper allocation of capacity cost savings
15 to customer classes would not result in an equal per kWh benefit. Additionally, the
16 energy cost savings from EE programs are more significant during on-peak hours
17 because this is when the utility typically incurs higher fuel costs than during the off-
18 peak hours. Customers that operate at high load factors use much less of their
19 energy during on-peak hours. Thus, they would receive less of the benefits of EE
20 programs than customers that use more electricity during on-peak hours.

21 Accordingly, although it may generally be the case that all customers
22 benefit from cost-effective utility-funded EE programs (as defined in the RIM), it is
23 not the case that the benefits flow equally on a per-kWh basis.

1 **Q IF COST-EFFECTIVE ENERGY EFFICIENCY PROGRAMS BENEFIT ALL**
2 **CUSTOMERS, DOES IT MATTER WHO SELF-DIRECTS AND FUNDS THE**
3 **ENERGY EFFICIENCY PROGRAM?**

4 A No. The benefits of EE flow irrespective of who implements and funds the
5 programs. Thus, a self-directed EE program by an individual customer can provide
6 the same benefits to the utility's other customers as a corresponding EE program
7 funded by the utility. This is why an opt-out provision that requires customers to
8 document their EE program savings and allow the utility to count the savings
9 toward meeting its Commission approved goals should be a sufficient reason to
10 forgive an opt-out customer from paying the EE program costs funded by the utility.

11 **Administrative and Regulatory Costs**

12 **Q WERE ANY ESTIMATES OF THE ADDITIONAL ADMINISTRATIVE AND**
13 **REGULATORY COSTS TO ADMINISTER AN OPT-OUT PROVISION**
14 **PROVIDED IN THE UTILITIES' REBUTTAL TESTIMONY?**

15 A No estimates were provided by any of the utility witnesses. This is ironic because
16 DEF's affiliates in North and South Carolina have had experience with opt-out
17 provisions. Thus, DEF should be able to estimate the administrative costs of an
18 opt-out provision in Florida and describe its overall experience.

19 **Q WOULD AN OPT-OUT PROVISION NECESSARILY RESULT IN HIGHER**
20 **COSTS?**

21 A No. This argument ignores the potential benefit that a successful opt-out provision
22 should allow the utility to reduce its EE budget because it can count the savings
23 from opt-out customers toward meeting its goals. This could more than offset any
24 additional administrative costs that an opt-out provision may require. However,

1 the administrative costs associated with an opt-out will ultimately depend on how
2 the provision is implemented.

3 **Implementation and Other Issues**

4 **Q WHY SHOULD CUSTOMERS BE ALLOWED TO AGGREGATE ALL OF THEIR**
5 **ACCOUNTS LOCATED WITHIN THE UTILITY'S SERVICE AREA UNDER AN**
6 **OPT-OUT PROVISION?**

7 A First, it would reduce administrative costs, because the customer would not have
8 to submit multiple opt-out letters for each account. Thus, the utility would not have
9 to review multiple opt-out proposals thereby avoiding additional costs.

10 Second, firms that would likely opt-out have robust company-wide EE
11 programs that have been deployed throughout the firm's energy consuming
12 facilities. This is certainly true of customers like Walmart and Publix that employ
13 corporate energy managers who oversee the energy costs and usage in all of the
14 facilities that these firms own and control. Therefore, it is unlikely that aggregating
15 customers' accounts for purposes of opting-out would result in any significant free-
16 riders.

17 **Q WOULD CONSOLIDATING ALL OF A CUSTOMER'S ACCOUNTS WITHIN A**
18 **UTILITY'S SERVICE AREA VIOLATE THE COMMISSIONS CONJUNCTIVE**
19 **BILLING RULE?**

20 A No. Allowing customers to manage their accounts on a utility-wide basis would not
21 change how customers are currently billed, other than applying a different ECCR
22 charge for a customer's accounts that have opted out. This is not conjunctive
23 billing. Further, consolidation would place self-directed EE programs on a more
24 level playing field with utility-directed programs and allow customers to achieve

1 scale economies within the region, thereby encouraging the deployment of more
2 cost-effective conservation.

3 **The Need for Implementing an Opt-Out Provision**

4 **Q THE UTILITY WITNESSES QUESTION THE BENEFIT OF THE PROPOSED**
5 **OPT-OUT PROVISION. ARE THERE ANY OTHER BENEFITS TO**
6 **IMPLEMENTING AN OPT-OUT PROVISION AT THIS TIME?**

7 A Yes. The primary benefits of the proposed opt-out provision are to place EE on a
8 level playing field and allow utilities to count the savings from customers' self-
9 directed and funded EE programs toward meeting their Commission-approved
10 conservation goals. The latter benefit (*i.e.*, counting the energy/peak demand
11 savings from self-directed EE) is potentially valuable if future regulations require
12 either the utilities or the state to ramp-up the amount of EE to achieve certain goals.

13 **Q PLEASE EXPLAIN.**

14 A For example, under the proposed Clean Power Plan (CPP), the EPA has
15 determined that Florida must reduce its carbon dioxide (CO₂) emissions by 498
16 lbs. per megawatt hour (MWh). The EPA's specific 2030 goal calculation for
17 Florida is shown in **Exhibit JP-3**. As can be seen, a portion of the emission
18 reduction goal (*i.e.*, 72 lbs. /MWh) would come from EE (*i.e.*, Step 5).

19 However, the amount of EE necessary to reduce Florida's CO₂ emissions
20 by 72 lbs. /MWh is huge. This is shown in **Exhibit JP-4**. As can be seen, to
21 accomplish a 72 lbs. /MWh reduction would require Florida's EE programs to ramp-
22 up from 587 gigawatt hours (GWh) to over 28,000 GWh, or about 34 times the
23 current level of EE, as determined by EPA. Further, EPA has estimated a price
24 tag of \$2.6 billion to accomplish this ramp-up.

1 Accordingly, if CPP is ultimately implemented, the state (and consequently,
2 the electric utilities) will be required to ramp-up its EE programs. Having an ability
3 to count the EE programs of self-directed customers would facilitate compliance.

4 **Next Steps**

5 **Q THE UTILITY WITNESSES HAVE CRITICIZED THE OPT-OUT PROPOSALS AS**
6 **LACKING IN SUFFICIENT DETAIL TO BE IMPLEMENTED. HOW CAN THIS**
7 **BE RESOLVED?**

8 A First, the Commission should approve an opt-out provision for the reasons
9 discussed above and in my Direct Testimony. Second, following the Commission’s
10 initial decision approving an opt-out provision in concept, FIPUG would support
11 DEF witness Duff’s proposal that the Commission convene a workshop to discuss
12 how the opt-out should be implemented. This workshop can also address:

- 13 • Protocols for documenting customer savings;
- 14 • Setting the appropriate qualifying threshold (*i.e.*, on a peak demand
15 or energy basis);
- 16 • Whether customer accounts should be aggregated within each
17 utility’s service area; and
- 18 • The impact on the utility’s existing EE programs.

19 **Q DOES THIS CONCLUDE YOUR SURREBUTTAL TESTIMONY?**

20 A Yes.

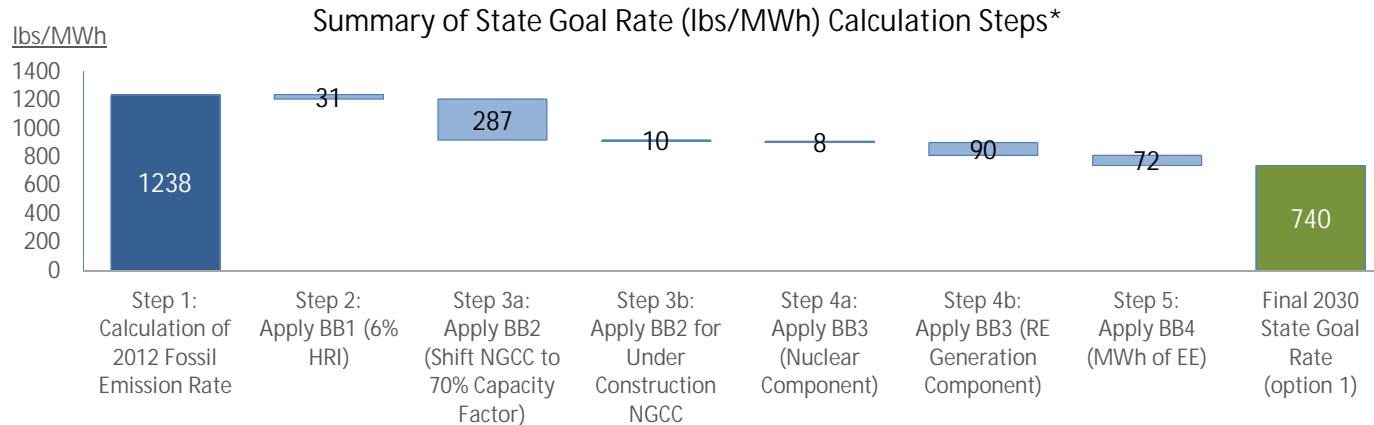


Data Viewer EPA Proposed Clean Power Plan, State 2030 Goal Calculation: Florida

- Start & Key Resources
- Summary
- Step 1
- Step 2
- Step 3a
- Step 3b
- Step 4a
- Step 4b
- Step 5
- Back
- Next

Getting from 2012 Fossil Emission Rate to Final 2030 State Goal Rate (option 1)

| | |
|---------------------------------------|--|
| Building Block 1 (step 2) | Improve the heat rate at existing coal units 6% to reduce the emission rate from 2,251 lbs/MWh to 2,116 lbs/MWh |
| Building Block 2 (steps 3a and 3b) | Shift generation from fossil-fired boilers to NGCC units up to a 70% capacity factor, increasing NGCC generation from 133,320 GWh to 182,822 GWh |
| Building Block 3 (steps 4a and 4b) | Increase generation from renewable sources from 4,524 GWh in 2012 to 22,110 GWh in 2030. Incentivize preservation of 1,623 GWh of generation (-5.8%) from historic nuclear fleet |
| Building Block 4 (step 5) | Improve end-use energy efficiency to decrease electricity demand 21,349 GWh, equivalent to avoiding 10.0% of projected electricity sales in 2030 |



*This graph and the associated calculations are for illustrative purposes only to demonstrate how state goals are calculated to take into account all of the building blocks identified in [Option 1](#) of the proposed Clean Power Plan. While this demonstration yields apparent “incremental” changes to state emission rates from quantifying the effect of each building block in a given state, the state goal is a product of all of the building blocks considered simultaneously in the computation process. While the “incremental” effect calculated for each building block depends on the sequence in which the building blocks are quantified (with only one particular sequence demonstrated here), the computed state goal is the same regardless of the sequence selected to calculate each building block’s effects within the overall state goal computation process.

Main Module: Currently Modeling Florida

| | | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 |
|---|------------|---------|---------|---------|---------|---------|---------|
| Annual Incremental Baseline Savings | | | | | | | |
| Historical annual incremental savings | GWh | 587 | | | | | |
| Maintain historical savings | GWh | | 587 | 587 | 587 | 587 | 587 |
| Total annual savings | GWh | 587 | 587 | 587 | 587 | 587 | 587 |
| Sales | | | | | | | |
| Annual average growth rate | % | | 1.19% | 1.19% | 1.19% | 1.19% | 1.19% |
| BAU sales | GWh | 221,261 | 223,884 | 226,538 | 229,224 | 231,941 | 234,691 |
| Sales after Net EE | GWh | 220,674 | 223,884 | 226,538 | 229,224 | 231,941 | 234,104 |
| Savings as a Percent of Previous Year Sales | | | | | | | |
| Historical savings as percent of previous year sales | % | | 0.27% | 0.26% | 0.26% | 0.26% | 0.25% |
| Final first-year savings as percent of previous year sales | % | | 0.00% | 0.00% | 0.00% | 0.00% | 0.25% |
| Savings and Sales Re-calculation | | | | | | | |
| Annual incremental savings | GWh | | 0 | 0 | 0 | 0 | 587 |
| Expiring savings | GWh | | 0 | 0 | 0 | 0 | 0 |
| Net cumulative savings | GWh | | 0 | 0 | 0 | 0 | 587 |
| Net cumulative savings as a percent of sales before EE | % | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.25% |
| Cost of Savings | | | | | | | |
| First-year cost escalation factor | % | | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% |
| Regional cost of first-year savings | 2011 ¢/kWh | | 55.00 | 55.00 | 55.00 | 55.00 | 55.00 |
| Levelized cost of saved energy associated with program year | | | | | | | |
| Total levelized cost of saved energy | 2011 ¢/kWh | | 0.00 | 0.00 | 0.00 | 0.00 | 6.51 |
| Program levelized cost of saved energy | 2011 ¢/kWh | | 0.00 | 0.00 | 0.00 | 0.00 | 3.25 |
| Participant levelized cost of saved energy | 2011 ¢/kWh | | 0.00 | 0.00 | 0.00 | 0.00 | 3.25 |
| Annualized total cost of EE | | | | | | | |
| Annualized total cost of EE | 2011 \$ M | | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$38.2 |
| Annualized program cost of EE | 2011 \$ M | | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$19.1 |
| Annualized participant cost of EE | 2011 \$ M | | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$19.1 |
| Annual first-year costs | | | | | | | |
| Annual total cost of EE | 2011 \$ M | | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$323 |
| Annual program cost of EE | 2011 \$ M | | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$161 |
| Annual participant cost of EE | 2011 \$ M | | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$161 |

Main Module: Currently Modeling Florida

| | | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 |
|---|------------|---------|---------|---------|---------|---------|-----------|-----------|
| Annual Incremental Baseline Savings | | | | | | | | |
| Historical annual incremental savings | GWh | | | | | | | |
| Maintain historical savings | GWh | 587 | 587 | 587 | 587 | 587 | 587 | 587 |
| Total annual savings | GWh | 587 | 587 | 587 | 587 | 587 | 587 | 587 |
| Sales | | | | | | | | |
| Annual average growth rate | % | 1.19% | 1.19% | 1.19% | 1.19% | 1.19% | 1.19% | 1.19% |
| BAU sales | GWh | 237,473 | 240,288 | 243,136 | 246,019 | 248,935 | 251,886 | 254,872 |
| Sales after Net EE | GWh | 235,856 | 237,217 | 238,210 | 238,858 | 239,187 | 239,227 | 239,371 |
| Savings as a Percent of Previous Year Sales | | | | | | | | |
| Historical savings as percent of previous year sales | % | 0.25% | 0.25% | 0.25% | 0.25% | 0.25% | 0.25% | 0.25% |
| Final first-year savings as percent of previous year sales | % | 0.45% | 0.65% | 0.85% | 1.05% | 1.25% | 1.45% | 1.50% |
| Savings and Sales Re-calculation | | | | | | | | |
| Annual incremental savings | GWh | 1,061 | 1,540 | 2,024 | 2,509 | 2,993 | 3,476 | 3,588 |
| Expiring savings | GWh | 31 | 87 | 168 | 274 | 406 | 564 | 747 |
| Net cumulative savings | GWh | 1,617 | 3,071 | 4,927 | 7,161 | 9,748 | 12,659 | 15,501 |
| Net cumulative savings as a percent of sales before EE | % | 0.68% | 1.28% | 2.03% | 2.91% | 3.92% | 5.03% | 6.08% |
| Cost of Savings | | | | | | | | |
| First-year cost escalation factor | % | 100.0% | 120.0% | 120.0% | 140.0% | 140.0% | 140.0% | 140.0% |
| Regional cost of first-year savings | 2011 ¢/kWh | 55.00 | 66.00 | 66.00 | 77.00 | 77.00 | 77.00 | 77.00 |
| Levelized cost of saved energy associated with program year | | | | | | | | |
| Total levelized cost of saved energy | 2011 ¢/kWh | 6.51 | 7.81 | 7.81 | 9.11 | 9.11 | 9.11 | 9.11 |
| Program levelized cost of saved energy | 2011 ¢/kWh | 3.25 | 3.91 | 3.91 | 4.56 | 4.56 | 4.56 | 4.56 |
| Participant levelized cost of saved energy | 2011 ¢/kWh | 3.25 | 3.91 | 3.91 | 4.56 | 4.56 | 4.56 | 4.56 |
| Annualized total cost of EE | | | | | | | | |
| Annualized total cost of EE | 2011 \$ M | \$105.2 | \$219.9 | \$366.0 | \$574.3 | \$814.7 | \$1,084.8 | \$1,348.4 |
| Annualized program cost of EE | 2011 \$ M | \$52.6 | \$110.0 | \$183.0 | \$287.2 | \$407.4 | \$542.4 | \$674.2 |
| Annualized participant cost of EE | 2011 \$ M | \$52.6 | \$110.0 | \$183.0 | \$287.2 | \$407.4 | \$542.4 | \$674.2 |
| Annual first-year costs | | | | | | | | |
| Annual total cost of EE | 2011 \$ M | \$583 | \$1,017 | \$1,336 | \$1,932 | \$2,305 | \$2,676 | \$2,763 |
| Annual program cost of EE | 2011 \$ M | \$292 | \$508 | \$668 | \$966 | \$1,152 | \$1,338 | \$1,382 |
| Annual participant cost of EE | 2011 \$ M | \$292 | \$508 | \$668 | \$966 | \$1,152 | \$1,338 | \$1,382 |

Main Module: Currently Modeling Florida

| | | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 |
|---|------------|-----------|-----------|-----------|-----------|-----------|-----------|
| Annual Incremental Baseline Savings | | | | | | | |
| Historical annual incremental savings | GWh | | | | | | |
| Maintain historical savings | GWh | 587 | 587 | 587 | 587 | 587 | 587 |
| Total annual savings | GWh | 587 | 587 | 587 | 587 | 587 | 587 |
| Sales | | | | | | | |
| Annual average growth rate | % | 1.19% | 1.19% | 1.19% | 1.19% | 1.19% | 1.19% |
| BAU sales | GWh | 257,893 | 260,950 | 264,044 | 267,174 | 270,341 | 273,546 |
| Sales after Net EE | GWh | 239,737 | 240,323 | 241,126 | 242,142 | 243,372 | 244,811 |
| Savings as a Percent of Previous Year Sales | | | | | | | |
| Historical savings as percent of previous year sales | % | 0.25% | 0.24% | 0.24% | 0.24% | 0.24% | 0.24% |
| Final first-year savings as percent of previous year sales | % | 1.50% | 1.50% | 1.50% | 1.50% | 1.50% | 1.50% |
| Savings and Sales Re-calculation | | | | | | | |
| Annual incremental savings | GWh | 3,591 | 3,596 | 3,605 | 3,617 | 3,632 | 3,651 |
| Expiring savings | GWh | 936 | 1,125 | 1,314 | 1,504 | 1,694 | 1,885 |
| Net cumulative savings | GWh | 18,156 | 20,627 | 22,918 | 25,032 | 26,970 | 28,735 |
| Net cumulative savings as a percent of sales before EE | % | 7.04% | 7.90% | 8.68% | 9.37% | 9.98% | 10.50% |
| Cost of Savings | | | | | | | |
| First-year cost escalation factor | % | 140.0% | 140.0% | 140.0% | 140.0% | 140.0% | 140.0% |
| Regional cost of first-year savings | 2011 ¢/kWh | 77.00 | 77.00 | 77.00 | 77.00 | 77.00 | 77.00 |
| Levelized cost of saved energy associated with program year | | | | | | | |
| Total levelized cost of saved energy | 2011 ¢/kWh | 9.11 | 9.11 | 9.11 | 9.11 | 9.11 | 9.11 |
| Program levelized cost of saved energy | 2011 ¢/kWh | 4.56 | 4.56 | 4.56 | 4.56 | 4.56 | 4.56 |
| Participant levelized cost of saved energy | 2011 ¢/kWh | 4.56 | 4.56 | 4.56 | 4.56 | 4.56 | 4.56 |
| Annualized total cost of EE | | | | | | | |
| Annualized total cost of EE | 2011 \$ M | \$1,595.0 | \$1,824.9 | \$2,038.4 | \$2,235.7 | \$2,417.0 | \$2,582.5 |
| Annualized program cost of EE | 2011 \$ M | \$797.5 | \$912.5 | \$1,019.2 | \$1,117.8 | \$1,208.5 | \$1,291.3 |
| Annualized participant cost of EE | 2011 \$ M | \$797.5 | \$912.5 | \$1,019.2 | \$1,117.8 | \$1,208.5 | \$1,291.3 |
| Annual first-year costs | | | | | | | |
| Annual total cost of EE | 2011 \$ M | \$2,765 | \$2,769 | \$2,776 | \$2,785 | \$2,797 | \$2,811 |
| Annual program cost of EE | 2011 \$ M | \$1,382 | \$1,384 | \$1,388 | \$1,393 | \$1,398 | \$1,405 |
| Annual participant cost of EE | 2011 \$ M | \$1,382 | \$1,384 | \$1,388 | \$1,393 | \$1,398 | \$1,405 |

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Request to Opt-Out of Cost Recovery
for Investor-Owned Electric Utility Energy
Efficiency Programs by Wal-Mart Stores East,
LP and Sam's East, Inc. and Florida Industrial
Power Users Group

DOCKET NO. 140226-EI

Filed: May 20, 2015

AFFIDAVIT OF JEFFRY POLLOCK

State of Missouri)
) SS
County of St. Louis)

Jeffry Pollock, being first duly sworn, on his oath states:

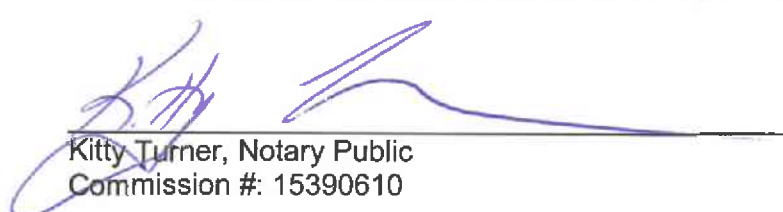
1. My name is Jeffry Pollock. I am President of J. Pollock, Incorporated, 12647 Olive Blvd., Suite 585, St. Louis, Missouri 63141. We have been retained by Florida Industrial Power Users Group to testify in this proceeding on its behalf;

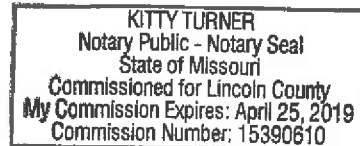
2. Attached hereto and made a part hereof for all purposes is my Surrebuttal Testimony and Exhibits, which have been prepared in written form for introduction into evidence in Florida Public Service Commission Docket No. 140226-EI; and,

3. I hereby swear and affirm that the answers contained in my testimony and the information in my exhibits are true and correct.


Jeffry Pollock

Subscribed and sworn to before me this 20th day of May, 2015.


Kitty Turner, Notary Public
Commission #: 15390610



My Commission expires on April 25, 2019.

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing was furnished to the following by electronic mail this 20th day of May, 2015.

/s/ Jon Moyle

Jon C. Moyle, Jr.

| | |
|--|--|
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/s/ Jon Moyle

Jon C. Moyle, Jr.