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January 13, 2023

VIA ELECTRONIC FILING

Adam J. Teitzman, Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

Re: *Docket No. 20200181-EI: Proposed Amendment of Rule 25-17.0021, F.A.C., Goals
for Electric Utilities*

Dear Mr. Teitzman:

Please find attached for electronic filing Duke Energy Florida, LLC's Response to Staff's First SERC Data Request.

Thank you for your assistance in this matter and if you have any questions, please feel free to contact me at (850) 521-1425.

Sincerely,

s/ Stephanie A. Cuello

Stephanie A. Cuello

SAC/vr
Attachment

cc: Sevini Guffey, FPSC- sguffey@psc.state.fl.us

CERTIFICATE OF SERVICE

Docket No. 20200181-EI

I HEREBY CERTIFY that a true and correct copy of the foregoing has been furnished via electronic mail to the following this 13th day of January, 2023.

s/ Stephanie A. Cuello

Stephanie A. Cuello

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**DUKE ENERGY FLORIDA, LLC'S (DEF), RESPONSE TO
STAFF'S FIRST SERC DATA REQUEST REGARDING PROPOSED AMENDMENT OF
RULE 25-17.0021, F.A.C., GOALS FOR ELECTRIC UTILITIES**

Docket No. 20200181-EI

1. Draft revision to Rule 25-17.0021(2), F.A.C., states that each utility must file a technical potential study that must be used to develop the proposed demand-side-management (DSM) goals for major end-use categories of residential and commercial/industrial market segments. Please provide your utility's incremental five-year cost estimate to perform this task.

RESPONSE:

At this time DEF does not project any additional incremental costs required to perform this task under the draft revision to Rule 25-17.0021(2) F.A.C.

Currently, the estimated cost is approximately \$150,000 to perform the task.

2. Please explain how and to what extent your utility's practice under the draft revision to Rule 25-17.0021(2), F.A.C., regarding conducting and filing a technical potential study, would be materially different from your utility's current implementation of the existing rule. In your response, please identify the relevant activities implemented by your utility in recent goal setting proceedings.

RESPONSE:

At this time DEF does not project any material differences in the practices required to perform this task under the draft revision to Rule 25-17.0021(2) F.A.C.

To allow adequate time and for efficiency, DEF and the other FEECA utilities are developing the technical potential study under the draft revision to Rule 25-17.0021(2) F.A.C. DEF initiated the process earlier to garner stakeholder feedback and more importantly to allow for the development of the supporting DSM programs at the same time as the DSM Goals, rather than after the Commission has approved the DSM Goals.

3. Draft revisions to Rule 25-17.0021(2), F.A.C., states that "[t]he technical potential study must . . . assess the full technical potential of all available demand-side conservation and efficiency measures, including demand-side renewable systems, associated with" specific Major End-Use Categories in Residential and Commercial/Industrial Market Segments. Compare the draft revision to the treatment of Residential and Commercial/Industrial Market Segments found in the current Rule 25-17.0021(3), F.A.C., and explain how and to what extent your utility's practice under the draft revision would be materially different from your utility's implementation under the existing rule.

RESPONSE:

At this time DEF does not project any material differences in the practices required to perform this task under the draft revision to Rule 25-17.0021(2) F.A.C.

4. Please identify your utility's incremental five-year cost to implement draft revisions found in Rule 25-17.0021(2)(a)-(q), F.A.C., compared to the existing Rule 25-17.0021(3)(a)-(u), F.A.C. In particular, detail the incremental five-year cost resulting from the addition of the "Lighting Efficiencies" category to the Residential Market Segment and the removal of "Renewable/Natural Gas substitutes for electricity" and "Other," categories from both Residential and Commercial/Industrial Market Segments.

RESPONSE:

At this time DEF does not project any incremental costs associated with implementing draft revisions found in Rule 25-17.0021(2)(a)-(q), F.A.C., compared to the existing Rule 25-17.0021(3)(a)-(u), F.A.C.

DEF develops a new technical potential study every five years, supporting the development of its proposed DSM goals. As part of this work, the study has always included the assessment of the introduction of new technologies and elimination of some existing technologies based on the results of the study.

5. Draft revision to Rule 25-17.0021(2), F.A.C., (page 2, lines 19-21) states that the technical potential study must describe how the DSM goals were developed, including identifying measures that were analyzed but excluded from consideration. Please provide the estimated incremental five-year cost to your utility to perform this task.

RESPONSE:

At this time DEF does not project any material differences or incremental costs associated with describing how the DSM Goals were developed under the draft revision to Rule 25-17.0021(2) F.A.C. DEF plans to continue to describe the process utilized to analyze and identify measures included in the DSM Goals as part of the testimony supporting its proposed DSM Goals.

6. Please explain how and to what extent your utility's implementation under the draft revision to Rule 25-17.0021(2), F.A.C., (page 2, lines 19-21) as described in question five above, is materially different from your utility's current implementation of the existing rule. In your response, please identify the relevant activities implemented by your utility in recent goal setting proceedings.

RESPONSE:

At this time DEF does not project any material difference in the practice of describing the process used to develop the DSM goals. This includes identifying measures that were analyzed but excluded from consideration as described in question five above, compared to the practices utilized in determining DSM Goal in the past.

7. Draft revision to Rule 25-17.0021(3), F.A.C., states that each utility must file its DSM goals developed under two scenarios: (1) Participant and Rate Impact Measure Tests and (2) Participant and Total Resource Cost Tests. What is the estimated incremental five-year cost to your utility to prepare and submit the two stated scenarios?

RESPONSE:

At this time DEF does not project any incremental costs associated with the preparation and filing of DSM Goals under two scenarios: (1) Participant Cost Test (“PCT”) and RIM and (2) PCT and TRC consistent with the draft revisions to Rule 25-17.0021(3), F.A.C.

8. Draft revision to Rule 25-17.0021(3), F.A.C., (page 3, lines 16-18) requires the utility to provide the overall estimated annual program cost over a ten-year period “for each potential demand-side management program identified in the proposed goals and in each scenario described above.” What is the estimated incremental five-year cost to your utility to implement this requirement?

RESPONSE:

At this time DEF does not project any incremental costs associated with complying with the draft revisions to Rule 25-17.0021(3), F.A.C. and providing the estimated annual program costs over a ten-year period for each potential program identified in the proposed goals.

9. Please explain how and to what extent your utility’s implementation of the draft revisions to Rule 25-17.0021(3), F.A.C., described above in question eight, is materially different from your utility’s current implementation of the existing rule. In your response, please identify the relevant activities implemented by your utility in recent goal setting proceedings.

RESPONSE:

At this time there is no material difference from the current implementation of the existing rule and the implementation of the draft revision of the rule. DEF works with each program team to identify annual program costs.

10. Draft revision to Rule 25-17.0021(4), F.A.C., states that each utility must file its DSM plan that includes the programs to meet the goals, along with program administrative standards that include

a statement of the policies and procedures detailing the operations and administration of each program. What is the estimated incremental five-year cost to your utility to file the DSM program administrative standards?

RESPONSE:

At this time DEF does not anticipate incurring any incremental costs required to file its DSM plan that includes the programs to meet the goals, along with program administrative standards that include a statement of the policies and procedures detailing the operations and administration of each program.

DEF has filed program administrative standards that include a statement of the policies and procedures detailing the operations and administration of each program after the Commission approved its DSM Program Plan.

11. Please explain how and to what extent your utility's implementation of the draft revision to Rule 25-17.0021(4), F.A.C., as described in question ten, is materially different from your utility's implementation of the existing rule.

RESPONSE:

At this time there is no material difference from the current implementation of the existing rule and the implementation of the draft revision to the rule as discussed in response to Question 10.

12. Referring to the draft subsection (4)(j), what is the estimated five-year cost to your utility to prepare an estimate of the annual amount to be recovered through the energy conservation cost recovery clause for each calendar year in the planning horizon?

RESPONSE:

At this time DEF does not anticipate any incremental costs will be incurred over the next five years to prepare the overall estimated annual program cost over the ten-year DSM plan period associated with implementing draft revision to Rule 25-17.0021(4)(j), F.A.C.

13. Do you believe the draft revisions to Rule 25-17.0021, F.A.C., will have incremental negative impacts to small businesses, small cities, and counties within your service territory? If yes, please provide an explanation.

RESPONSE:

At this time DEF is not aware of any incremental negative impacts to small businesses, small cities, and counties associated with the draft revisions to Rule 25-17.0021, F.A.C.

14. Considering above draft's requirements and their associated costs, would the draft rule increase regulatory costs, including transactional costs (such as filing fees, license fees, equipment needed, additional operating costs, monitoring and reporting costs, and other associated costs) to your utility in excess of \$200,000 in the aggregate within one year after implementing the rule? Additionally, what is the currently estimated cost compared to recent goal setting proceedings' costs?

RESPONSE:

At this time DEF believes the draft revisions to Rule 25-17.0021, F.A.C. as compared to the existing rule will result in very little, if any, incremental costs. As stated in its earlier responses, the timing of the required work is the only significant change, so DEF does not believe it will exceed \$200,000 in costs within one year after the rule is implemented.

DEF's regulatory costs, including transactional costs (such as filing fees, license fees, equipment needed, additional operating costs, monitoring and reporting costs, and other associated costs) from the 2020 DSM Goals Proceeding were \$169,492.13. As indicated in its response to Question 1, at this time the Company estimates its costs for this goal proceeding to be approximately \$150,000.

15. Do you believe the draft revisions to Rule 25-17.0021, F.A.C., will have incremental adverse impacts on economic growth, private sector investment and job creation, business competitiveness, productivity, and innovations? If yes, please provide an explanation.

RESPONSE:

At this time DEF does not believe the draft revisions to Rule 25-17.0021, F.A.C. will have incremental adverse impacts on economic growth, private sector investment and job creation, business competitiveness, productivity, and innovations.

16. Would your utility's compliance with the draft revised rule, have an incremental effect on the state or local (service area of utility) revenues? If yes, please provide estimated revenues and an explanation.

RESPONSE:

At this time DEF believes that the draft revisions to Rule 25-17.0021, F.A.C. will not have an incremental effect on the state or local (service area of utility) revenues.

17. Please provide additional information regarding these draft rule revisions, which the Commission may determine useful.

RESPONSE:

DEF does not have any additional comments or information to share regarding the draft rule revisions beyond the post-workshop comments it has previously submitted to the Commission but reserves the right to provide any additional comments should new information be presented.

18. Would there be any additional potential incremental costs or savings to your utility, not already detailed in response to the questions above, resulting from updated implementation practices if the draft rule revisions are adopted? Please provide an estimated savings amount with an explanation.

RESPONSE:

At this time DEF does not believe there will be additional potential incremental costs beyond those identified in its responses to Questions 1-17.