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-VIA ELECTRONIC FILING-

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

**RE: Docket No. 20200181-EU - Proposed amendment of Rule 25-17.0021, F.A.C.,
Goals for Electric Utilities**

Dear Mr. Teitzman:

Please find attached Florida Power & Light Company's responses to FPSC Staff's Statement of Estimated Regulatory Costs (SERC) Data Request (Nos. 1-18) in the above referenced docket.

If there are any questions regarding this filing, please contact me at (561) 304-5662.

Sincerely,

/s/ William P. Cox
William P. Cox
Fla. Bar No. 0093531

WPC:ec
Attachment
cc: Sevini Guffey, Public Utility Analyst III, sguffey@psc.state.fl.us
Jonathan Rubottom, FPSC Staff Attorney, jrubotto@psc.state.fl.us

QUESTION:

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:

None.

QUESTION:

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:

Conducting this task is not materially different from FPL's implementation of the current rule.

In recent DSM goal setting proceedings, FPL performed the following relevant activities in conjunction with a third-party consultant:

- Identify the potential residential and commercial/industrial energy efficiency (EE), demand response (DR) and demand-side renewable energy (DSRE) measures that are commercially available and technically feasible to implement in FPL's service area.
- Assess the available market for implementation of these measures based on FPL's mix of customer and housing/business types and current penetration of such measures.
- Assess the potential energy and demand savings from full implementation of these measures to the available market without consideration of cost or customer preference.

QUESTION:

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:

FPL’s implementation of the draft rule will not be materially different from work performed under the current rule.

QUESTION:

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:

FPL does not anticipate any incremental cost to implement draft revisions in Rule 25-17.0021(2)(a)-(q). All of the major end-use categories identified in the draft rule revisions have been evaluated in previous goals proceedings as a matter of completeness.

QUESTION:

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:

FPL does not anticipate any incremental cost associated with implementation of draft Rule 25-17.0021(2).

QUESTION:

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:

Conducting this task is not materially different from FPL's implementation of the current rule.

In recent DSM goal setting proceedings, FPL performed the following relevant activities:

- Evaluate the cost-effectiveness of all measures included in the Technical Potential Study using the Rate Impact Measure (RIM) test, Total Resource Cost (TRC) test, and Participant (PCT) test.
- Sum the Technical Potential of all measures with a RIM and PCT cost-effectiveness test result greater than or equal to 1.0 to establish the Economic Potential for the RIM test, and separately, sum the Technical Potential of all measures with a TRC and PCT cost-effectiveness test result greater than 1.0 to establish the Economic Potential based on the TRC test.
- Estimate the adoption of each passing measure, after addressing free-ridership, based on the maximum cost (administrative and rebate) that can be incurred to remain cost-effective.
- Sum the total adoption projections of cost-effective measures to establish the potential for energy and demand savings that is reasonably achievable in the marketplace over the subsequent 10-year period for two portfolios- one based on the RIM test and the other based on the TRC test.

QUESTION:

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, FPL does not anticipate any material incremental cost associated with implementation of draft Rule 25-17.0021(3).

QUESTION:

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:

FPL does not anticipate any material incremental cost associated with development of annual program cost estimates described in draft Rule 25-17.0021(3).

QUESTION:

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:

There is one primary area in which FPL's implementation of the draft revisions to Rule 25-17.0021(3) is different from the current rule. The draft rule requires inclusion of potential demand-side management programs associated with each of the two scenarios as part of the goals filing. Under the draft rule, once the goals are established, FPL will file a Demand-Side Management Plan inclusive of programs associated with the approved goals. The current rule provides for establishment of goals based on the Achievable Potential of demand-side management measures for each of the cost-effectiveness scenarios. Under the current rule, once the goals are established, FPL develops and submits applicable demand-side management programs as part of the Demand Side Management Plan. Compared to implementation of the current rule described above, implementation of the draft rule does require additional program development activities for demand-side management programs associated with each of the two stated scenarios in the goals filing. Although this process is different from the current rule, as referenced in response to question No. 7, FPL does not anticipate material incremental costs overall in implementation of these draft rules.

QUESTION:

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:

FPL does not anticipate any incremental cost associated with implementation of draft Rule 25-17.0021(4).

QUESTION:

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:

FPL's implementation of the draft Rule 25-17.0021(4) will not be materially different from work performed under the current rule.

QUESTION:

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:

FPL does not anticipate any incremental cost associated with implementation of draft subsection (4)(j). The five-year cost for FPL to prepare an estimate of the annual amount to be recovered each year is part of FPL's normal planning process and is anticipated to be less than twenty-five thousand dollars.

QUESTION:

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:

No. None that FPL can identify at this time.

QUESTION:

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:

No. As described in answers 1 through 12, FPL does not anticipate any material increase in costs related to implementation of the draft Rule.

FPL does not track internal costs of projects such as the goal setting proceeding. In the 2019 goals proceeding, FPL (and former Gulf) incurred approximately \$150,000 for consulting services associated with development of the Potential Studies required for proposed goals. FPL anticipates a similar cost for consulting services for the 2024 goals proceeding.

QUESTION:

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:

No. None that FPL can identify at this time.

QUESTION:

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:

No. None that FPL can identify at this time.

QUESTION:

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

RESPONSE:

FPL has no additional responsive information at this time beyond these responses and FPL's previously filed comments in this docket.

QUESTION:

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:

No. None that FPL can identify at this time.