



January 13, 2023

Sevini Guffey
Public Utility Analyst III
Florida Public Service Commission
2540 Shumard Oak Blvd
Tallahassee, Florida 32399-0850

Docket No. 20200181-EU

Subject: Orlando Utilities Commission Responses to the Florida Public Service Commission's
Statement of Estimated Regulatory Costs (SERC) data request issued December 22, 2022

Enclosed please find Orlando Utilities Commission (OUC)'s Responses to the Florida Public Service
Commission's Statement of Estimated Regulatory Costs (SERC) data request issued December 22, 2022.

If you have any questions about this submittal, please do not hesitate to contact me.

Respectfully submitted,

A handwritten signature in black ink, appearing to be "W. Browder", written over a horizontal line.

/s/

W. Christopher Browder
Chief Legal Officer
Orlando Utilities Commission
CBrowder@OUC.com

ORLANDO UTILITIES COMMISSION

Please see below for the Orlando Utilities Commission (OUC) responses to the Florida Public Service Commission's *Statement of Estimated Regulatory Costs (SERC)* data request issued December 22, 2022 issued pursuant to Docket No. 20200181-EU.

Consistent with the definition of "incremental" as stated in the subject data request, for purposes of OUC's responses:

"incremental" means the net change anticipated as necessary to comply with the draft amended version of the rule. In other words, practices and costs under the current version of the rule should be compared to anticipated practices and costs under the draft amended rule, and the difference between the two is considered "incremental."

- 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.**

OUC Response:

OUC does not anticipate an incremental five-year cost difference to file a technical potential study between the existing and proposed rule.

- 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.**

OUC Response:

OUC does not expect that its activities and practices in conducting and filing a technical potential study under the proposed rule would be materially different from OUC's practices under the existing rule. In the most recent Energy Conservation Goals proceedings, OUC's goals were set in Docket No. 20190019-EG. In those proceedings, OUC participated with the other FEECA utilities in comprehensive studies of the technical potential of demand-side management measures including conservation and efficiency measures, as well as analyzing the economic potential and cost-effectiveness of a wide range of conservation and efficiency measures before proposing its conservation goals. Subsequent to the Commission's decisions in the 2019 proceedings, OUC proposed and has implemented the programs and measures set forth in its currently effective Demand-Side Management Plan, which was approved by the Commission by Order No. 2020-0140-PAA-EG, issued on May 12, 2020 in Docket No. 20200058-EG.

- 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.**

OUC Response:

In OUC’s view, the changes from the current Rule 25-17.0021(3), F.A.C., to the provisions of proposed Rule 25-17.0021(2), F.A.C., are relatively minor, basically adding Lighting Efficiencies and deleting Renewable/Natural Gas substitutes for electric applications; otherwise the provisions are quite similar. Accordingly, OUC does not anticipate an incremental material change in its practices in conducting and filing a technical potential study under the proposed rule as compared to under the existing rule.

- 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.**

OUC Response:

OUC does not anticipate any material incremental five-year cost difference between the existing and proposed rule resulting from the slight changes regarding the Lighting Efficiencies and Renewable/Natural Gas Substitutes and “Other” categories to be evaluated in the technical potential 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.**

OUC Response:

OUC does not anticipate any incremental five-year cost difference associated with preparing and filing the technical potential study, including the required descriptions of how OUC’s DSM goals are developed, between the existing and proposed rule.

- 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.**

OUC Response:

OUC does not anticipate that its implementation of the proposed Rule revisions would be materially different from OUC’s current development and implementation of its DSM goals and DSM Plan under the existing Rule. As summarized above, OUC’s activities in the 2019 Conservation Goals and DSM Plan cycle included developing and analyzing the technical potential of available demand-side conservation and efficiency measures, including renewable energy systems; economic and achievable potential studies; cost-effectiveness analyses of potential measures; and proposal of goals and programs in OUC’s approved DSM Plan.

- 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?**

OUC Response:

OUC does not anticipate any material incremental five-year cost difference to prepare and submit DSM goals developed under the two scenarios specified in the proposed rule. This is because OUC’s current practices include evaluation of measures and programs using the results of the Participant Test, Rate Impact Measure Test, and Total Resource Cost Test.

- 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?**

OUC Response:

OUC does not anticipate any incremental five-year cost difference to provide the overall estimated annual program cost over a ten-year period between the existing and proposed rule. This is because OUC’s current analyses include evaluation of program costs over at least a five-year time horizon, and extending the analysis period to ten years, if necessary, will not cause OUC to incur material additional costs.

- 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.**

OUC Response:

OUC does not anticipate that its implementation of the proposed revisions would be materially different from OUC's implementation of the current Rule provisions. Please see OUC's responses to Data Requests Nos. 2 and 6 above for a summary of OUC's practices and activities carried out in implementing the current Rule provisions in the 2019 Conservation Goals and 2020 DSM Plan proceedings.

- 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?**

OUC Response:

OUC does not anticipate any material incremental five-year cost difference for filing the DSM program administrative standards, including the policies and procedures detailing the operations and administration of OUC's programs, between the existing and proposed rule provisions.

- 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.**

OUC Response:

OUC does not anticipate that its implementation of the proposed revisions to Rule 25-17.0021(4), F.A.C., would be materially different from its activities and practices in implementing the provisions of the existing rule.

- 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?**

OUC Response:

This data request is not applicable to OUC because OUC does not have a separate energy conservation cost recovery charge and is not subject to the Commission's Energy Conservation Cost Recovery proceedings.

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.

OUC Response:

No. OUC does not believe the draft revisions to Rule 25-17.0021, F.A.C. will have incremental negative impacts to small businesses, small cities, or counties within OUC's service territory.

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?

OUC Response:

No. OUC does not anticipate that complying with the proposed revisions to the Rule would have a material effect on OUC's regulatory costs as defined above as compared to OUC's costs to comply with the provisions of the existing Rule. OUC incurred costs of approximately \$500,000 in connection with the 2019 Conservation Goals proceedings. OUC anticipates that its efforts in the forthcoming cycle will be similar and that, at least on an inflation-adjusted basis, its costs to comply with the Commission's requirements in the forthcoming Conservation Goals proceedings will be comparable to those incurred in the 2019 cycle.

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.

OUC Response:

No. OUC does not believe the draft revisions to Rule 25-17.0021, F.A.C. will have incremental adverse impacts to economic growth, private sector investment, job creation, business competitiveness, productivity, or innovation.

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.

OUC Response:

No. OUC does not believe that compliance with the draft revised rule will have an incremental effect on the revenues of any state or local government.

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

OUC Response:

OUC does not have any additional information in this regard.

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.

OUC Response:

OUC does not anticipate any incremental cost difference, either increases or decreases, between the existing and proposed rule.