

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Commission Review of Numeric
Conservation Goals (Florida Power & Light
Company).

DOCKET NO.: 20240012-EG

In re: Commission Review of Numeric
Conservation Goals (Duke Energy Florida,
LLC).

DOCKET NO.: 20240013-EG

In re: Commission Review of Numeric
Conservation Goals (Tampa Electric Company).

DOCKET NO.: 20240014-EG

In re: Commission Review of Numeric
Conservation Goals (Florida Public Utilities
Company).

DOCKET NO.: 20240015-EG

In re: Commission Review of Numeric
Conservation Goals (JEA).

DOCKET NO.: 20240016-EG

In re: Commission Review of Numeric
Conservation Goals (Orlando Utilities
Commission).

DOCKET NO.: 20240017-EG

FILED: July 9, 2024

FLORIDA INDUSTRIAL POWER USERS GROUP'S PRE-HEARING STATEMENT

The Florida Industrial Power Users Group (FIPUG), by and through undersigned counsel,
provides this Prehearing Statement.

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1. WITNESSES:

Direct Testimony of Jeff Pollock.

Subject Matter: DEF's proposed cost-effectiveness analyses for the Curtailable General Service (CS) and Interruptible General Service (IS) programs and related matters.

Witnesses listed by other parties.

2. EXHIBITS:

JP-1 Trends in Generation Capital Costs

JP-2 Installed Cost of Generation Capacity Additions Since 2012

JP-3 CS & IS Monthly Incentive Reflecting Avoided Capital Costs

Exhibits listed by other parties.

3. STATEMENT OF BASIC POSITION

Duke Energy Florida, LLC ("DEF") provides demand credit rates for interruptible service, curtailable service, stand-by generation, or similar potential demand response programs to many customers, including FIPUG members. Utilities such as DEF avoid having to build additional peaking generating units by having these customers agree to be interrupted or curtailed when the utility in question experiences peak load conditions on its system. In exchange for the customers' agreement to have its power interrupted or curtailed, these customers receive certain demand credit rates. The demand credit rates for interruptible service, curtailable service, stand-by generation or similar potential demand response programs should be addressed in the base rate proceedings for DEF and the rate regulated FEECA Utilities.

The reasons to address these credits in base rate cases rather than the goals docket are: 1). This Commission and recent Commissions have adjusted demand credit rates in base rate cases. 2). Base rate proceedings often result in settlement agreements, in which credit adjustments are part and parcel of a negotiated outcome, which must pass a public interest test. 3) Setting these demand credit rates set in base rate cases provides clear and

unambiguous notice that the proper venue in which to consider this issue is a respective utility's base rate case. 4) Clearly adopting the Commission's past practice of establishing demand credit rates for interruptible service, curtailable service, stand-by generation or similar potential demand response programs filing testimony in a utility's base rate case is more efficient in that affected intervenors will not have to file testimony in two dockets, namely the company's goals docket and the company's base rate case docket. Should these credits be addressed in the goals docket for DEF, the appropriate credit sum for interruptible and curtailable service should be increased as supported by the testimony of FIPUG witness Jeff Pollock.

4. STATEMENT OF FACTUAL ISSUES AND POSITIONS

All FEECA Electric Utilities Issues

ISSUE 1: Are the utility's proposed goals based on an adequate assessment of the full technical potential of all available demand-side and supply-side conservation and efficiency measures, including demand-side renewable energy systems?

FIPUG: No position at this time.

ISSUE 2: Are the utility's proposed goals based on savings reasonably achievable through demand-side management programs over a ten-year period?

FIPUG: Yes.

ISSUE 3: Do the utility's proposed goals adequately reflect the costs and benefits to customers participating?

FIPUG: Yes, for the most part, except the credit rates for interruptible service, curtailable service, stand-by generation, or similar potential demand response programs for Duke Energy Florida, Inc. should be increased in the DEF pending base rate case.

ISSUE 4: Do the utility's proposed goals adequately reflect the costs and benefits to the general body of ratepayers as a whole, including utility incentives and participant contributions?

FIPUG: Yes, for the most part, except the credit rates for interruptible service, curtailable service, stand-by generation, or similar potential demand response programs for

Duke Energy Florida, Inc. should be increased in DEF's pending base rate case to more appropriately address the costs and benefits to the general body of rate payers as a whole including utility incentives and participant contributions.

ISSUE 5: Do the utility's proposed goals adequately reflect the need for incentives to promote both customer-owned and utility-owned energy efficiency and demand-side renewable energy systems?

FIPUG: No position at this time.

ISSUE 6: Do the utility's proposed goals adequately reflect the costs imposed by state and federal regulations on the emissions of greenhouse gases?

FIPUG: No position at this time.

ISSUE 7: Do the utility's proposed goals appropriately reflect consideration of free riders?

FIPUG: No position at this time.

ISSUE 8: Should demand credit rates for interruptible service, curtailable service, stand-by generation, or similar potential demand response programs be addressed in this proceeding or in the base rate proceedings for the rate regulated FEECA Utilities? If this proceeding, what demand credit rates are appropriate for purposes of establishing the utilities' goals?

FIPUG: The demand credit rates for interruptible service, curtailable service, stand-by generation or similar potential demand response programs should be addressed in the base rate proceedings for DEF and the other rate regulated FEECA Utilities. This Commission and recent Commissions have adjusted demand credit rates in base rate cases. Base rate proceedings often result in settlement agreements, in which credit adjustments are part and parcel of a negotiated outcome which must pass a public interest test. Setting these demand credit rates set in base rate cases provides clear and unambiguous notice that the proper venue in which to consider this issue is a respective utility's base rate case. A positive consequence of clearly adopting the Commission's recent past practice of establishing demand credit rates for interruptible service, curtailable service, stand-by generation or similar potential demand response programs in base rate cases, filing testimony in a utility's base rate case is more efficient. Specifically, affected intervenors will not have to file testimony in two dockets, the company's goals docket and the company's base rate case docket. Should the Commission decide to handle demand credit rates in this docket rather than DEF's base rate case, the DEF demand credits as proposed by FIPUG witness Jeff Pollock should be adopted.

FPL-Specific Issues

ISSUE 9: Should the savings associated with FPL’s Residential Low Income Renter Pilot program be included in its conservation goals?

FIPUG: No position at this time.

ISSUE 10: Is FPL’s proposed HVAC On-Bill option for its existing Residential On-Call program with its associated HVAC Services Agreement (proposed Tariff sheets 9.858 through 9.866) a regulated activity within the jurisdiction of the Commission? If not, should the savings associated with FPL’s HVAC On-Bill option and HVAC Services Agreement be removed from its conservation goals?

FIPUG: No position at this time.

ISSUE 11: Should the Commission approve FPL’s proposed plan to cap participation for non-RIM Test passing programs once sector-level goals are achieved?

FIPUG: No position at this time.

All FEECA Electric Utilities Issues

ISSUE 12: What residential and commercial/industrial summer and winter megawatt (MW) and annual Gigawatt-hour (GWh) goals should be established for the period 2025-2034?

FIPUG: No position at this time.

ISSUE 13: What goals are appropriate for increasing the development of demand-side renewable energy systems?

FIPUG: No position at this time.

5. STIPULATED ISSUES

FIPUG has not stipulated to any issues set forth in this docket.

6. PENDING MOTIONS

FIPUG has no pending motions at this time.

7. STATEMENT OF PARTY’S PENDING REQUESTS OR CLAIMS FOR CONFIDENTIALITY

FIPUG has no pending requests or claims for confidentiality at this time.

8. OBJECTIONS TO QUALIFICATION OF WITNESSES AS AN EXPERT

FIPUG does not object to the qualification of any witnesses as an expert in the field in which the expert has pre-filed testimony as of the present date.

9. SEQUESTRATION OF WITNESSES

FIPUG does not intend to seek the sequestration of any witness at this time.

10. STATEMENT OF COMPLIANCE WITH ORDER ESTABLISHING PROCEDURE

There are no requirements of the Order Establishing Procedure with which FIPUG cannot comply.

Respectfully submitted,

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CERTIFICATE OF SERVICE

I **HEREBY CERTIFY** that a true and correct copy of the foregoing has been furnished by electronic mail this 9th day of July 2024 to the following:

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