

**BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION**

In re: Commission review of numeric)
Conservation goals (Duke Energy Florida,) Docket No. 20240013-EG
LLC) Storm Protection Plan Cost Recovery) Filed: July 9, 2024
_____)

**PREHEARING STATEMENT OF
WHITE SPRINGS AGRICULTURAL CHEMICALS, INC.
d/b/a PCS PHOSPHATE – WHITE SPRINGS**

Pursuant to the Florida Public Service Commission’s *Order Establishing Procedure*, Order No. PSC-2024-0022-PCO-EG, issued January 23, 2024, as modified by the *First Order Modifying Order Establishing Procedure*, Order No. PSC-2024-0159-PCO-EG, issued May 17, 2024, White Springs Agricultural Chemicals, Inc. d/b/a PCS Phosphate – White Springs (“PCS Phosphate” or “PCS”), through its undersigned attorneys, files its Prehearing Statement in the above matter.

A. APPEARANCES

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B. KNOWN WITNESSES

PCS Phosphate intends to offer the testimony of:

Witness	Subject Matter	Issues #
Direct		
Tony Georgis	Avoided generation and capacity costs; Curtailable and Interruptible Service credits and cost-effectiveness	2-5, 8, 12

C. ALL KNOWN EXHIBITS

PCS Phosphate intends to offer the following exhibits:

Witness	Proffered By	Exhibit #	Description	Issues #
Direct				
Tony Georgis	PCS/Nucor	TMG-1	Resume and Record of Testimony of Tony Georgis	2-5, 8, 12
Tony Georgis	PCS/Nucor	TMG-2	Select Duke Responses to Interrogatories	2-5, 8, 12
Tony Georgis	PCS/Nucor	TMG-3	Select Duke Curtailable and Interruptible Service Tariffs	2-5, 8, 12
Tony Georgis	PCS/Nucor	TMG-4	Duke Energy Florida, LLC’s 2024 Ten-Year Site Plan	2-5, 8, 12
Tony Georgis	PCS/Nucor	TMG-5	Progress Energy Florida, Inc.’s 2005 Ten-Year Site Plan	2-5, 8, 12

PCS reserves the right to identify additional exhibits for the purpose of cross-examination or rebuttal.

D. STATEMENT OF BASIC POSITION

In this proceeding, consistent with the requirements of the Florida Energy Efficiency and Conservation Act (“FEECA”),¹ DEF proposes to set its DSM goals for the period 2025-2034 based on a portfolio of DSM programs that it determined to be cost effective based on assessments using the Rate Impact Measure (“RIM”), Total Resource Cost (“TRC”), and Participant Cost Tests (“PCT”). DEF’s recommended portfolio of programs is based primarily on RIM test results; but DEF also recommends some measures passing the TRC test, and it proposes to implement some

¹ Section 366.82, Florida Statutes.

additional low-income measures that do not meet any of the cost-effectiveness tests that it conducted but which Duke nonetheless considered appropriate to include. DEF mentioned in passing that it would be proposing changes to the existing Interruptible General Service (“IS”) and Curtailable General Service (“CS”) program credits, but the proposed changes to IS and CS programs actually appear in DEF’s pending general base rate case (Docket No. 20240025-EI).

PCS supports the consideration of both the RIM and TRC tests in setting the DEF’s DSM goals and notes that the TRC better reflects the ongoing system benefit provided by existing demand response participation. Also, DEF’s selection of a brownfield natural gas combustion turbine (“CT”) entering commercial service in 2029 as its avoided marginal generation cost unit, and its presumed costs of that unit systematically under-estimates the cost/benefit of demand response under all methods studied.

Duke’s avoided marginal generation cost for its proposed avoided unit of \$735.20/kW is significantly lower than TECO’s avoided generation unit as well as Duke’s other potential avoided units, which range from \$949.40/kW for a greenfield CT to \$2,471/kW for solar generation with battery storage. (see Georgis Testimony at 15-17). Applying a more representative cost for an avoided generating unit will more realistically represent the expected cost effectiveness of DEF demand response measures under both the RIM and TRC tests.

Finally, the Commission should refrain from setting or adjusting demand charge credits for CS and IS service in this proceeding. Under Section 366.82, F.S., the present proceeding is for the Commission to adopt utilities’ conservation goals. Once the Commission adopts those goals, each utility must “develop plans and programs to meet the overall goals within its service area.” *Id.* Setting those overall goals does not require consideration of discrete program features. Further, DEF’s demand response programs for residential, commercial and industrial customers specify

rates, terms and conditions for participation that are incorporated in its base rate tariffs. Consequently, any changes to those rates, terms and conditions should be addressed in DEF base rate proceedings. In this instance, DEF incongruously references changes to the CS and IS credits in this docket while proposing to restructure its residential direct load control program only in its rate case. The Commission should clarify that all tariff-based changes should be addressed in base rate cases.

E. STATEMENT ON SPECIFIC ISSUES

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?

PCS Phosphate: No position.

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

PCS Phosphate: No.

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

PCS Phosphate: No.

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

PCS Phosphate: No. DEF's proposed goals are based on a cost-effectiveness test reflecting an assumed avoided 2029 brownfield CT. It is more appropriate to use a greenfield CT to evaluate avoided marginal generation costs. To the extent that DEF's goals and proposed utility incentives would change under such an assumption, DEF's current proposed goals are not reasonable and do not reflect the costs to ratepayers as a whole.

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?

PCS Phosphate: No.

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

PCS Phosphate: No position.

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

PCS Phosphate: No position.

CONTESTED

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?

PCS Phosphate: All adjustments to the rates, terms and conditions of tariff-based DEF demand response programs should be made in base rate proceedings.

If the Commission does choose to set DEF’s CS and IS credit rates in this proceeding, the Commission should adopt a CS and IS credit level of \$9.00 as recommended in the testimony of Florida Industrial Power Users Group witness Jeffrey Pollock. This level is based on a more reasonable avoided generation unit of a greenfield CT. At a minimum, however, the Commission should not decrease the CS and IS credits in this proceeding due to the insufficient basis DEF has provided for doing so.

FPL-Specific Issues

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

PCS Phosphate: No position.

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?

PCS Phosphate: No position.

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?

PCS Phosphate: No position.

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?

PCS Phosphate: While PCS does not oppose DEF's proposed MW and GWh goals in this proceeding, DEF's proposal to significantly reduce the prevailing CS and IS credit rates likely will adversely affect current CS and IS program participation levels. DEF's goals proposal does not consider impacts on current participants.

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

PCS Phosphate: No position.

F. PENDING MOTIONS

None.

G. PENDING REQUESTS OR CLAIMS FOR CONFIDENTIALITY

None.

H. OBJECTIONS TO QUALIFICATIONS OF WITNESS AS EXPERT

None at this time.

I. REQUIREMENTS OF ORDER ESTABLISHING PROCEDURE

There are no requirements of the Procedural Orders with which PCS Phosphate cannot comply.

Respectfully submitted,

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Dated: July 9, 2024

CERTIFICATE OF SERVICE

I hereby certify that a true copy of the foregoing Prehearing Statement of PCS Phosphate has been furnished by electronic mail this 9th of July, 2024, to the following:

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