

July 9, 2024

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VIA E-PORTAL

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

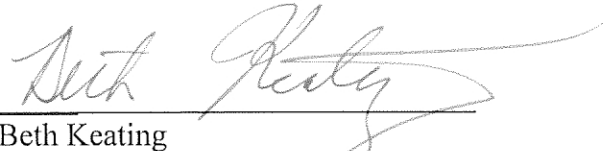
Docket No. 20240015-EG In re: Commission review of numeric conservation goals (Florida Public Utilities Company).

Dear Mr. Teitzman:

Attached for electronic filing on behalf of Florida Public Utilities Company, please find the Company's Prehearing Statement.

Should you have any questions whatsoever, please do not hesitate to contact me. Thank you for your assistance in this matter.

Sincerely,



Beth Keating
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215 South Monroe St., Suite 618
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(850) 521-1706

MEK
Cc://(Parties of Record)

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Commission review of numeric conservation goals (Florida Public Utilities Company). DOCKET NO. 20240015-EG
DATED: July 9, 2024

**FLORIDA PUBLIC UTILITIES COMPANY’S
PREHEARING STATEMENT**

Pursuant to the requirements of the Order on Procedure, Order No. PSC-2024-0022-PCO-EG, as modified by Order No. PSC-2024-0159-PCO-EG, Florida Public Utilities Company (“FPUC”) hereby submits its Prehearing Statement.

Appearances:

Beth Keating
Gunster, Yoakley & Stewart, P.A.
215 South Monroe St., Suite 601
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(850) 521-1706
On Behalf of Florida Public Utilities Company

1. Known Witnesses

FPUC intends to offer the testimony of:

Witness	Subject Matter	Issues Numbers
Derrick M. Craig (FPUC)	FPUC’s historical and ongoing commitment to conservation and DSM, the Company’s process and approach for developing conservation programs, its current programs and explanation of the Company’s proposed goals, the Company’s perspective on DSM, the value of DSM programs for its most vulnerable customers, and the challenges presented for a small, non-generating	1 – 6, 8, 12-13

Witness	Subject Matter	Issues Numbers
	utility company implementing DSM programs	
Michael T. Clark (Christensen Associates Energy Consulting LLC for FPUC)	FPUC's avoided costs provided to Resource Innovations/Herndon for use in the evaluation of the technical and achievable potential of DSM and conservation measures.	2
Jim Herndon (Resource Innovations, Inc.)(FPUC co-sponsor)	Summarizes and sponsors the Technical Potential Study conducted for FPUC which includes technical potential and achievable potential for cost-effective Energy Efficiency and Load Management measures for FPUC.	1-5, and 7

2. Known Exhibits

FPUC intends to sponsor the following exhibits:

Witness	Proffered By	Exhibit No.	Description	Issue Numbers
Derrick M. Craig	FPUC	DMC-1	CV	1
		DMC-2	FPUC 2020 (Current) DSM Programs and Standards	1 and 12
		DMC-3	2019-2023 FPUC Electric Conservation Goals and annual program participation rates	1-3, 5 and 12

Witness	Proffered By	Exhibit No.	Description	Issue Numbers
		DMC-4	FPUC Current DSM Goals 2015-2024	1 and 2
Michael T. Clark	FPUC	MTC-1	Michael Ty Clark Resume	2
		MTC-2	Christensen Associates Energy Consulting Report on FPUC's Long Term Avoided Costs (4-2-2024)	2
Jim Herndon	FPUC	JH-1	Background and Qualifications of Jim Herndon	1
		JH-5	Technical Potential Study of Demand-Side Management in Florida Public Utilities Company's Territory (3-7-2024)	1-8, 12 and 13
		JH-8	Measure Lists	1 and 2
		JH-9	Comparison of Comprehensive 2019 Measure Lists 19 to the 2024 Comprehensive Measure Lists	1-3, 5, 8 and 12
		JH-11	FPUC Measure Screening and Economic Sensitivities 23	1 – 7 and 12
		JH-14	FPUC Program Development Summary	4 and 12

3. Basic Position

FPUC's proposed conservation goals for the 2025-2034 period, as described in the testimony of FPUC's witness Derrick M. Craig, are based upon FPUC's most recent planning process and reflect the total winter and summer peak demand and annual energy savings reasonably achievable in the Company's residential and commercial/industrial classes through cost-effective demand side management. They adequately reflect the costs and benefits to customers participating in DSM measures, as well as the Company's general body of ratepayers. Consistent with the FEECA statute, the Company's goals also give appropriate consideration to the need for incentives to promote efficiency and renewable systems. As such, FPUC's proposed goals are consistent with FEECA.

FPUC's proposed goals are also supported by the testimony and supporting exhibits of Resource Innovations' representative Jim Herndon. As part of a collaborative process, Resource Innovations was retained by the FEECA utilities for the purpose of assessing the technical potential for energy efficiency, demand response, and demand-side renewable energy resources for reducing residential, commercial, and industrial customer electric demand and seasonal peak capacity demands. Resource Innovations also provided an economic analysis for a subset of FEECA utilities, which included FPUC, and thereafter provided the Company with a complete Technical Potential Study (TPS) that is filed with Mr. Herndon's Direct Testimony as Exhibit JH-5. In conducting the technical potential test, which serves as the foundation for assessing the economic and achievable potential, Resource Innovations included the full application of DSM technologies commercially available to all residential, commercial, and industrial customers in FPUC's territory to determine which measures are cost-effective in which circumstances, and to develop estimates of the potential impacts of adopting these measures. The assessment utilized a current utility forecast, supported in this proceeding FPUC consultant, Michael Ty Clark of Christensen Associates Energy Consulting LLC. Using its proprietary TEA-POT model, Resource Innovations considered a wide range of energy efficiency and demand response measures, as well as rooftop solar photovoltaic systems, battery storage systems, and combined heat and

power systems screening for the required sensitivities. The results of this analysis reflect that no energy efficiency measures passed the RIM test, and there are no demand reduction measures or demand-side renewable energy systems that are cost-effective for FPUC.

FPUC's proposed DSM goals are based on the TRC scenario with a 2-year minimum payback screen applied. These figures represent a 10-year goal time frame. The total achievable residential potential is 5.1 GWh, commercial potential is 4.3 GWh, and industrial potential is 2.5 GWh, resulting in a total 10-year goal of 11.8 GWh. The achievable summer peak MW savings are 1.0 MW for residential, 0.7 MW for commercial, and 0.3 MW for industrial, totaling 2.0 MW for the Company's system. FPUC's achievable winter potential for residential savings is 1.2 MW, 0.7 MW for commercial, 0.3 MW for industrial, and a total of 2.2 MW for the system. There were no cost-effective demand response measures for FPUC, nor did the study reflect any achievable potential for either commercial or residential demand-side renewable technologies.

FPUC therefore proposes that its reasonably achievable goals for the period covering 2025 to 2034 are as follows: The proposed 10-year goal for residential energy efficiency is 3.8 GWh; for non-residential/commercial the proposed goal is 2.3 GWh; and the total proposed energy efficiency goal of 6.1 GWh. For summer MW goals, the Company proposes a residential target of 2.58 MW; a non-residential/commercial target of 0.35 MW; and a cumulative total goal of 0.93 MW. The proposed achievable winter MW goals would be 1.15 MW for residential and 0.33 MW for non-residential/commercial, culminating in a combined total winter megawatt goal of 1.83 MW.

4. 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?

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FPUC: Yes. The Company's proposed goals for the next planning period are based upon the Company's most recent planning process and reflect a full and complete analysis of a wide range of available DSM measures and supply-side conservation and efficiency measures consistent with Section 366.82, Florida Statutes. The technical potential study performed by Resource Innovations, as described in the testimony of witness Jim Herndon, provided an adequate assessment of the full technical potential of these measures, including assessment of demand-side renewable energy systems utilizing its extensive expertise and proprietary TEA-POT model. (Craig, Herndon)

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

FPUC: Yes. The goals FPUC is proposing in this proceeding reflect reasonably achievable energy savings over the ten-year period.
(Craig, Herndon, Clark)

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

FPUC: Yes. Consistent with Section 366.82(3)(a), Florida Statutes, the Company's proposed goals adequately reflect the costs and benefits to participating customers as reflected by the outcome of Resource Innovations' cost-effectiveness evaluation, which included an analysis of the costs and benefits to FPUC's customers through the application of the Participants test. (Craig, Herndon)

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?**

FPUC: Yes. FPUC's proposed goals are consistent with the outcome of Resource Innovations' cost effectiveness evaluation of the achievable potential of DSM measures on FPUC's system, which included consideration of the benefits to the general body of FPUC ratepayers through application of the Participants test and Ratepayer Impact Measure (RIM) test.
(Craig, Herndon)

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?**

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FPUC: Yes. The Company's goals adequately reflect the need for incentives to promote energy efficiency and promote cost-effective DSM programs, including renewable energy systems, to the extent any are found to be cost-effective. This analysis was accomplished by incorporating FPUC program costs and utility incentive costs, along with consideration of economic constraints and market demand for DSM services in Florida, in Resource Innovations' analysis of the achievable potential of DSM measures on FPUC's system. (Craig, Herndon)

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

FPUC: Yes. Currently, there are no costs associated with greenhouse gas emissions. Therefore, FPUC's proposed goals appropriately reflect zero costs associated with greenhouse gas emissions. (Craig, Herndon)

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

FPUC: Yes, Resource Innovations' cost-effectiveness review included the analysis of several free ridership scenarios. FPUC's proposed goals are reflective of the outcomes of the analysis of those scenarios. (Herndon)

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?**

FPUC: The integration of Demand Response (DR) has not been included in FPUC's proposed goals, and the assessment by Resource Innovations indicates that DR Programs would not be cost-effective for FPUC. As such, FPUC has no position on which forum is most appropriate for addressing demand credit rates, although the statute appears to contemplate that this is the most appropriate forum. Likewise, FPUC does not have sufficient information upon which to base proposed demand credit rates.
(Craig, Herndon)

FPL-Specific Issues

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

FPUC: 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?

FPUC: 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?

FPUC: 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?

FPUC: FPUC's reasonably achievable goals for the period covering 2025 to 2034 are outlined as follows: The 10-year total goal for residential energy efficiency is targeted at 3.8 GWh, with non-residential aiming at 2.3 GWh and an overarching energy efficiency goal of 6.1 GWh. For summer MW goals, residential targets are set at 2.58 MW, and nonresidential targets at 0.35 MW, with a cumulative total goal of 0.93 MW. Achievable winter MW goals would be 1.15 MW for residential and 0.33 MW for non-residential, culminating in a combined total winter megawatt goal of 1.83 MW. (Craig, Herndon)

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

FPUC: The Commission should not establish separate goals for FPUC for demand-side renewable energy systems. All conservation goals for FPUC should be established to promote cost-effective DSM without any bias towards any particular technology or program. (Craig)

ISSUE 14: Should this docket be closed?

FPUC: Yes.

5. Stipulated Issues

FPUC is not a party to any stipulations at this time, although FPUC is amenable to discussing opportunities to reach stipulations.

6. Pending Motions

FPUC has no pending motions or other matters requiring attention at this time.

7. Pending Confidentiality Requests

None.

8. Objections to Witness Qualifications

FPUC has no objection to the qualifications of any expert witness.

9. Sequestration

FPUC is not requesting sequestration of witnesses.

10. Compliance With Order on Procedure

FPUC believes that this Prehearing Statement fully complies with the requirements of the Order on Procedure.

RESPECTFULLY SUBMITTED this 9th day of July, 2024.




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Attorneys for FPUC

CERTIFICATE OF SERVICE

I hereby certify that true and correct copies of the foregoing Prehearing Statement of Florida Public Utilities Company have been served by Electronic Mail this 9th day of July, 2024, upon the following:

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