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April 29, 2024

VIA: ELECTRONIC FILING

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

Re: 2023 DSM Annual Report (FEECA)
Undocketed

Dear Mr. Teitzman:

Attached for filing in the above docket is Tampa Electric Company's Responses to Staff's First Data Request (Nos. 1-7), propounded on March 28, 2024.

Thank you for your assistance in connection with this matter.

Sincerely,

Malcolm N. Means

Malcolm N. Means

MNM/bml
Attachment

cc: TECO Regulatory Department
Ashley Sizemore, TECO

TAMPA ELECTRIC COMPANY
2023 DSM ANNUAL REPORT
STAFF'S FIRST DATA REQUEST
REQUEST NO. 1
BATES PAGE(S): 1 - 2
FILED: APRIL 29, 2024

1. Please answer the following regarding federal energy efficiency standards and Florida Building Code requirements.

a. Please describe how Tampa Electric Company (TECO or company) has changed the way it monitors current federal energy efficiency standards and Florida Building Code requirements, compared to the methods it used in 2022, if applicable.

b. What impact, if any, did changes in federal or state standards have on the cost effectiveness of conservation programs in 2023?

c. If applicable, what existing programs, if any, are under review for possible modification in 2024 to reflect changes to federal or state standards?

A. a. Tampa Electric recognizes that staying on top of building codes and appliance efficiency standards is a challenge. To ensure that the Demand Side Management ("DSM") programs the company offers are aligned with building codes and appliance efficiency standards, Tampa Electric's Energy Management Services ("EMS") Department stay abreast and ahead of changing appliance efficiency standards and building codes. Tampa Electric also closely monitors the Biden Administration for any new or proposed changes to building codes or appliance standards which would make it necessary to modify any of the company's existing Commission approved DSM programs. In 2023, Tampa Electric continued to use the same methodology for monitoring upcoming and potential changes to building codes and appliance energy efficiency standards that the company used in 2022 with some additional activities necessary to be performed in 2023 to support the development of DSM Goals. Since the DSM Goals and the proposed DSM programs for the 2025 through 2034 period were being developed, it required the company to examine the impacts of federal energy efficiency standards and Florida Building Code requirements on each of the DSM measures that were contained in the comprehensive measure list. This comprehensive review was performed by Tampa Electric team members at several points during the year, in addition to reviews being done as part of the development of the company's Technical Potential through collaboration with the company's vendor and all of the Florida Energy Efficiency Conservation Act ("FEECA") utilities.

b. Tampa Electric did not observe any changes in federal or state energy efficiency standards which had an impact on the cost effectiveness of conservation programs in 2023.

c. Tampa Electric is proposing a change to one program that is in the current portfolio of Commission approved conservation programs offered by the company due to the impacts of federal or state energy efficiency standards. The residential ENERY STAR pool pumps rebate program is proposed to be retired at the end of 2024 when the Federal Energy Efficiency Requirements for pool pumps will require all pool pumps to be variable speed eliminating the need for this program.

2. Please answer the following regarding marketing and outreach efforts in 2023:

a. Page 6 of the Report indicates that participation in Residential Heating and Cooling Program decreased from 2,643 in 2022 to 1,681 in 2023. Explain the reasons that the participation decreased in 2023, addressing in your response if marketing and/or outreach efforts for this program changed in 2023.

b. Page 57 of the Report indicates that the Facility Energy Management System Program attracted 26 participants in 2023, up from 2 in 2022. Describe the marketing and outreach efforts for this program that produced this result.

c. On Page 65 of the Report, TECO provides information on the number of participants for the Commercial Smart Thermostat program. In 2023, 7 participants enrolled in this program, compared to 137 in 2022. Please explain the reason the number of participants fell between 2022 and 2023, and what actions, if any, are underway in order to increase participation in 2024.

A. a. The company believes the decrease in participation in the Residential Heating and Cooling Program is due to two contributing factors. The first factor is the change in building code requirements which changed the minimum base efficiency from a SEER rating level of 14 to the new requirement of a SEER 15. This increase of efficiency changed the minimum required to participate in the company's program due to the requirement of the program to exceed the minimum level by at least one SEER level (i.e. – increased from a minimum 15 SEER to now a 16 SEER level). This increased SEER level has a higher incremental cost than the prior SEER level which the company believes is contributing to this decline in participation. The second factor the company believes is causing the decrease in participation is due to the increased cost of everyday goods (groceries, gasoline, etc.) which is causing the company to believe that when an HVAC system is needing replacement, customers are focusing more on the first cost of the equipment, rather than the efficiency of the unit. There has not been a change in the company's marketing and/or outreach efforts for this program in 2023.

b. The increase in participation, from 2022 to 2023, is due to a large school district which had 22 schools implement new facility energy management systems. The company did not perform any additional marketing and/or outreach efforts for this program in 2023 that produced this result.

c. The decrease in the number of participants in 2023, as compared to 2022, is mainly due to a large school district that implemented smart thermostats in 136 schools during 2022. This project was completed by the end of 2022, and therefore resulting in a lower participation comparison for 2023. To help increase participation of the program in 2024, Tampa Electric is currently gathering customer testimonials and using those to promote the Smart Thermostat program through the company's social media channels.

3. Answer the following questions about the Utility Cost per Installation for the following programs:

a. In 2023, the Utility Cost per Installation for the Commercial Demand Response program was $37,377, whereas in 2022 the Utility Cost per Installation for this program was $32,562. Specifically describe the reasons for the change in costs from 2022 to 2023.

b. 2023, the Utility Cost per Installation for the Commercial Lightning program was $5,927, whereas in 2022 the Utility Cost per Installation for this program was $2,342. Specifically describe the reasons for the change in costs from 2022 to 2023.

A. a. The increase in Utility Cost per Installation for the Commercial Demand Response program from 2022 to 2023 can be attributed to three factors. Firstly, the largest contributing factor was the timing of the credit for incentives associated with the December 2022 period. This credit was paid in January 2023, thereby reducing the costs for 2022 while simultaneously elevating the costs for 2023. Secondly, adjustments were made in the contract with the vendor responsible for facilitating the turn-key program. Tampa Electric negotiated a new three-year contract with the vendor, which included a mutually agreed-upon three percent increase in the vendor’s facilitation costs. Lastly, the program experienced a reduction in participants, decreasing from 104 to 103. However, it's important to note that despite this loss in participant count, the total 40 MW demand reduction specified in the contract remained unaffected. This is because the vendor is obligated to deliver at least this level of load reduction whenever the program is activated.

b. The primary reason for the change in costs between 2022 and 2023, is that the average rebate amount per participant increased by 220 percent in 2023, compared to 2022. This is due to the submittal of larger lighting projects with higher wattage reductions that resulted in larger rebate amounts.

4. For the Commercial Chillers program on page 53, explain why the net benefit of measures installed during the reporting period (2023) stayed the same number ($3,900), although the actual number of participants, utility cost per installation, and total program cost of the utility increased, compared to 2022.

A. The reason for the identical numbers in 2022 and 2023 is a product of the math in each of the years. The formula for the Net Benefits of Measures installed during the reporting period is:

Actual Cumulative number of program participants divided by the Adjusted Cumulative Projected Participants then multiplied by the net present value of the Net Benefits.

In 2022:
26 / 40 * 6 = 3.9000 (rounds to 3.9)

In 2023:
29 / 45 * 6 = 3.8667 (rounds to 3.9)

5. On Page 55 of the Report, TECO provides information reflecting that the number of participants in the Commercial Cooling program increased from the 56 recorded in 2022 to 174 for 2023. Please identify the most significant factors that contributed to the large increase in participation for this program.

A. Tampa Electric believes the sole contributing factor that led to the increase of customers participation from 2022 to 2023 is due to regular growth of the program. In 2022, the program had six (6) individual customers participate, with a total number of 56 HVAC units replaced. In 2023, the program had 16 individual customers participate, with a total of 174 units. In comparison, the average number of units applied per customer slightly increased from 2022 to 2023.

6. TECO's Neighborhood Weatherization Program, at Page 47 of the Report, shows Net Benefits of negative $10,229,300, with Total Program Cost of the Utility at $2,087,100. Please provide the calculation resulting in this large negative Net Benefits, with explanation.

A. This calculation is the same as in Response No. 4 above. The formula for the Net Benefits of Measures installed during the reporting period is:

Actual Cumulative number of program participants divided by the Adjusted Cumulative Projected Participants then multiplied by the net present value of the Net Benefits.

56,286 / 56,750 * -10,332 = -10,229.3

In addition, the total cost per installation only uses that years participation versus the calculation above is using the actual and projected cumulative values.

7. In 2023, what was the company's System Average Line Loss percentage?

A. The company's system average line loss values used in DSM are as follows:

- Residential:
  - Power (kW): 7.3 percent
  - Energy (kWh): 5.6 percent

- Commercial/Industrial
  - kW: 7.0 percent
  - kWh: 5.2 percent