

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

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| In re: Request for Approval of |) | DOCKET NO. 900109-EG |
| Energy Conservation Plan by |) | ORDER NO. 23559 |
| City of Tallahassee. |) | ISSUED: 10-02-90 |
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The following Commissioners participated in the disposition of this matter:

MICHAEL McK. WILSON, Chairman
 THOMAS M. BEARD
 BETTY EASLEY
 FRANK S. MESSERSMITH

NOTICE OF PROPOSED AGENCY ACTION
ORDER APPROVING CITY OF
TALLAHASSEE'S CONSERVATION PLAN

BY THE COMMISSION:

NOTICE is hereby given by the Florida Public Service Commission that the action discussed herein is preliminary in nature and will become final unless a person whose interests are adversely affected files a petition for a formal proceeding, pursuant to Rule 25-22.029, Florida Administrative Code.

CASE BACKGROUND

During the 1989 regular session, the Legislature of the State of Florida amended Section 366.82, Florida Statutes, requiring this Commission to adopt goals for increasing the efficiency of energy consumption and increasing the development of cogeneration. Section 366.82, Florida Statutes also directed the Commission to require affected electric and natural gas utilities to submit updated energy conservation programs. On November 14, 1989 the Commission issued Order No. 22186, adopting the goals stated in Rule 25-17.001, Florida Administrative Code, and required the affected utilities to submit new and revised plans and programs to meet the goals within 90 days of the issuance of the Order. Also in the Order, the Commission stated that the conservation programs will be judged by the following criteria:

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1. Does each component program advance the policy objectives set forth in Rule 25-17.001 and the FEECA statute?
2. Is each component program directly monitorable and yield measurable results?
3. Is each component program cost effective? (The Commission stated that municipal and cooperative utilities were free to implement non-cost effective program if they so desired).

The utilities were directed to file programs in four areas: (1) demand side management programs; (2) natural gas programs where cost effective; (3) residential energy audits; and (4) a program for attracting qualifying facilities (cogeneration) into its service area.

Subsequently the Commission deleted that part of Order No. 22176 requiring the electric utilities promotion of gas programs.

Conservation Plan

We agree with our Staff's recommendation that the City of Tallahassee's conservation programs listed below should be approved.

Residential Energy Audits: Tallahassee offers residential energy audits to all residential and commercial customers irrespective of their consumption levels. These audits consist an inspection of the building envelope and energy consuming appliances. Residential customers with uninsulated water heaters are given free water heater wraps during the audit. At the conclusion of the audit, the auditors will advise the customer about their eligibility for the City's energy conservation and gas promotion programs.

Ceiling Insulation Improvement: The City's 1988 Residential Customer Survey (RCS) indicated that homes built prior to the Florida Energy Efficiency Code for building construction tend to have ceiling insulation with R-values less than R-22. This program provides grants to electric customers to upgrade ceiling insulation to either R-22 or R-30. The City will pay up to 80% (not to exceed \$400) of the material and installation costs.

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Strip Heating Conversion to Heat Pumps: The City's 1988 RCS indicated that approximately 60 percent of the City's electric customers have electric heating systems in their homes. Of these, nearly one-third are central electric resistance strip units. This program provides low interest loans (3% interest rate) to customers for the replacement of inefficient central electric strip heaters with heat pumps. It is available only to customers who do not have access to the City's natural gas distribution system.

Mercury Vapor Street Light Conversions: This program is targeted at converting mercury vapor street lights to high pressure sodium fixtures, lamps with 175W, 400W, or 700W mercury vapor fixtures are targeted for replacement. The City began this program in 1981. At the end of 1989, approximately 40% or 4,697 of the 11,926 street lights had mercury vapor fixtures. Order No. 22176 pg. 5 states that municipal and cooperative utilities are free to implement non-cost effective programs if they so desire; therefore, staff recommends approval of this program although the benefit to cost ratio is .92 to 1.

Electric Water Heater Conversion: The City's RCS indicated that approximately one-third of the survey respondents would replace their electric water heaters with gas water heaters if a financial assistance were available. This program is available to all electric customers who have access to the natural gas distribution system. The City will pay up to \$450 per installation for equipment and labor installation costs.

Strip Heat Conversion To Gas Furnace: This program is a companion to the Strip Heat Conversion to Heat Pump Program. It provides 3% low interest loans to customers with access to the natural gas system for replacement of inefficient central resistance strip heat with natural gas furnaces. A condition of the loan requires the customer to have or to install an additional gas appliance which contributes to balancing gas system loads. Maximum loan amounts for these heating units are \$1,800. However, in the case of hydro-heat systems customers may borrow an additional \$450 for the cost of a gas water heater.

New Construction Gas Appliance Stub-Out: This program provides incentives up to \$400 to the homebuilder who installs natural gas furnaces and water heaters in newly constructed

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single family homes and apartments. Builders are also required to provide stub-outs for gas ranges and dryers. By diverting installation of electric appliances, this program helps control the growth rate of electric consumption as well as weather sensitive peak demand.

Cogeneration Plan: The City's electric department is expected to managing the development of cogeneration within its service territory in a manner that protects the economic interests of all electric customers. A Task Force will develop and update an overall estimate of the total potential cogeneration capacity that could be developed in the City's service territory.

In 1987, the City developed and submitted to this Commission standard offer contracts and tariffs for payment available to various classes of qualifying facilities. The City is currently in the process of reevaluating its basis for offering payments to qualifying facilities and shall file with this Commission the updated standard offer contract and associate tariffs to reflect current avoided cost.

In consideration of the foregoing, it is

ORDERED by the Florida Public Service Commission that the City of Tallahassee's conservation plan as described in the body of this Order is approved. It is further

ORDERED that the City of Tallahassee shall file its updated standard offer contract as described in this Order as soon as possible. It is further

ORDERED that if a protest is filed within 20 days of the date of this Order it will be resolved by the appropriate Commission panel pursuant to Rule 25-22.006(3)(d), Florida Administrative Code.

By ORDER of the Florida Public Service Commission,
this 2nd day of OCTOBER, 1990.



STEVE TRIBBLE, Director
Division of Records and Reporting

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NOTICE OF FURTHER PROCEEDINGS OR JUDICIAL REVIEW

The Florida Public Service Commission is required by Section 120.59(4), Florida Statutes, to notify parties of any administrative hearing or judicial review of Commission orders that is available under Sections 120.57 or 120.68, Florida Statutes, as well as the procedures and time limits that apply. This notice should not be construed to mean all requests for an administrative hearing or judicial review will be granted or result in the relief sought.

The action proposed herein is preliminary in nature and will not become effective or final, except as provided by Rule 25-22.029, Florida Administrative Code. Any person whose substantial interests are affected by the action proposed by this order may file a petition for a formal proceeding, as provided by Rule 25-22.029(4), Florida Administrative Code, in the form provided by Rule 25-22.036(7)(a) and (f), Florida Administrative Code. This petition must be received by the Director, Division of Records and Reporting at his office at 101 East Gaines Street, Tallahassee, Florida 32399-0870, by the close of business on October 23, 1990.

In the absence of such a petition, this order shall become effective on the day subsequent to the above date as provided by Rule 25-22.029(6), Florida Administrative Code, and as reflected in a subsequent order.

Any objection or protest filed in this docket before the issuance date of this order is considered abandoned unless it satisfies the foregoing conditions and is renewed within the specified protest period.

If this order becomes final and effective on the date described above, any party adversely affected may request judicial review by the Florida Supreme Court in the case of an electric, gas or telephone utility or by the First District Court of Appeal in the case of a water or sewer utility by filing a notice of appeal with the Director, Division of Records and Reporting and filing a copy of the notice of appeal and the filing fee with the appropriate court. This filing must be completed within thirty (30) days of the effective date of this order, pursuant to Rule 9.110, Florida Rules of Appellate Procedure. The notice of appeal must be in the form specified in Rule 9.900(a), Florida Rules of Appellate Procedure.