

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Adoption of Numeric)
Conservation Goals and)
Consideration of National Energy)
Policy Act Standards (Section)
111) by:)

CITY OF GAINESVILLE) DOCKET NO. 930553-EG
CITY OF JACKSONVILLE ELECTRIC) DOCKET NO. 930554-EG
AUTHORITY)
KISSIMMEE ELECTRIC AUTHORITY) DOCKET NO. 930555-EG
CITY OF LAKE LAND) DOCKET NO. 930556-EG
OCALA ELECTRIC AUTHORITY) DOCKET NO. 930557-EG
ORLANDO UTILITIES COMMISSION) DOCKET NO. 930558-EG
CITY OF TALLAHASSEE) DOCKET NO. 930559-EG
CLAY ELECTRIC COOPERATIVE) DOCKET NO. 930560-EG
LEE COUNTY ELECTRIC COOPERATIVE) DOCKET NO. 930561-EG
SUMTER ELECTRIC COOPERATIVE) DOCKET NO. 930562-EG
TALQUIN ELECTRIC COOPERATIVE) DOCKET NO. 930563-EG
WITHLACOCHEE RIVER ELECTRIC) DOCKET NO. 930564-EG
COOPERATIVE) ORDER NO. PSC-93-1305-FOF-EG
ISSUED: September 8, 1993

The following Commissioners participated in the disposition of this matter:

J. TERRY DEASON, Chairman
SUSAN F. CLARK
JULIA L. JOHNSON
LUIS J. LAUREDO

ORDER ON THE EVALUATION OF CONSERVATION MEASURES

BY THE COMMISSION:

Sections 366.80-366.85, Florida Statutes, the "Florida Energy Efficiency and Conservation Act" (FEECA),

directs the commission to develop and adopt overall goals and authorizes the commission to require each utility to develop plans and implement programs for increasing energy efficiency and conservation within its service area. . . . [T]he Legislature intends that the use of solar energy, renewable energy sources, highly efficient systems, cogeneration, and load-control systems be encouraged. Accordingly, in exercising [our] jurisdiction, the commission shall not approve any rate or rate structure which discriminates against any class

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of customers on account of the use of such facilities, systems, or devices. This expression of legislative intent shall not be construed to preclude experimental rates, rate structure, or programs. . . . [FEECA is] to be liberally construed. . . .

In May of 1993, we adopted rules which require each FEECA utility to establish numeric demand and energy goals,¹ which will replace general non-numeric conservation goals already in place. In order to set numeric goals, a docket has been opened for each FEECA utility. Hearings have been scheduled in June of 1994 for Florida's four largest investor-owned utilities (IOUs).² In addition, hearings have been scheduled in December of 1994 for the municipal and rural electric cooperatives that fall under FEECA's requirements³ and for Florida Public Utilities Corporation.

On June 28, 1993, we issued Order No. PSC-93-0943-PCO-EG, which established the procedure to be followed in the IOUs' goal setting dockets. The order requires the IOUs to file a Technical Market Potential Results Report. This report will analyze the

¹ These rules were adopted by Order No. PSC-93-0641A-FOF-EG, issued May 17, 1993, in Docket No. 920606-EG - In Re: Adoption of Rule 25-17.0021, F.A.C., Goals For Electric Utilities, and Rule 25-17.0025, F.A.C., Conservation Performance Incentive Factor; Amendment to Rule 25-17.001, F.A.C., General Information, Rule 25-17.003, F.A.C. Energy Audits, Related Provisions, and Rule 25-17.006, F.A.C. And Proposed Repeal of Rule 25-17.005, F.A.C. Evaluation of Electric Utility Conservation Efforts, And Rule 25-17.007, F.A.C., Normalization Of Electric Utility Load Data.

² Florida's four largest investor-owned utilities are Florida Power and Light Company, Florida Power Corporation, Tampa Electric Company, and Gulf Power Company.

³ These utilities are City of Gainesville, Jacksonville Electric Authority, Kissimmee Electric Authority, City of Lakeland, Ocala Electric Utility, Orlando Utilities Commission, City of Tallahassee, Clay Electric Cooperative, Inc., Lee County Electric Cooperative, Inc., Sumter Electric Cooperative, Inc., Talquin Electric Cooperative, Inc., and Withlacoochee River Electric Cooperative, Inc.

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applicability, to each IOU's system, of the 110 potential demand side management measures listed in the Synergic Resources Corporation's Report No. 7777-R8, Electricity Conservation and Energy Efficiency in Florida: Technical, Economic and Achievable Results, Final Report, prepared for the Florida Energy Office, dated May 1993 (the SRC report). In addition to the 110 measures listed in the SRC report, the order requires the IOUs to consider measures employing natural gas, renewable energy resources, and original DSM measures.

Order No. PSC-93-0953-PCO-EG also requires the IOUs to file a Cost-Effectiveness Goal Results Report. This report will analyze the cost-effectiveness of the 110 DSM measures in the SRC report as well as the other measures listed in the IOUs' Technical Market Potential Results Report. The IOUs will be required to file two portfolios of measures for screening prospective conservation programs: (1) all measures that pass the Rate Impact Measure Test (RIM), and (2) all measures that pass the Total Resource Cost Test (TRC), even if RIM is not passed. For each portfolio of measures, and for each year of the ten-year planning horizon, the winter KW, summer KW, and annual KWH savings will be listed for each individual measure. In addition, the annual and cumulative rate impacts will be listed for each measure and for each portfolio of measures. At each utility's hearing, the cost-effectiveness of DSM measures shall be determined on a case-by-case basis.

The Technical Market Potential Results Report and Cost-Effectiveness Goal Results Report are simply tools to aid us in setting numeric conservation goals for FEECA utilities. They will be used to ensure that the numeric goals ultimately adopted are realistic. We have jurisdiction to set goals and to approve or disapprove those conservation programs submitted by the utilities. The utilities decide which programs will be submitted for approval.

Our consideration of conservation programs is a means to the end of setting reasonable and realistic goals. In setting goals we will not require utilities to participate in particular programs; instead, we will evaluate a mix of programs in order to calculate a reasonable, achievable numeric goal for each utility. In attempting to achieve its goals, an individual utility may choose to implement the programs evaluated by us, or may implement its own mix of programs. After goals are set, each utility will submit for

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Commission approval a plan comprised of programs designed to meet its specific goals.

It has been argued that the Commission is prohibited from considering conservation programs that would increase rates for municipal and cooperative electric utilities. FEECA contains no such prohibition. FEECA requires that conservation programs be "cost effective," but does not define the term. It is unnecessary, however, to decide this question at this time. As a policy matter, we will attempt to set goals that will not result in rate increases for Florida's municipal and cooperative electric utilities. This does not mean that individual programs that fail RIM but pass TRC will not be included in the mix. The better TRC programs may be included in a mix of programs, and the package in its entirety could still pass the RIM test. We will not limit our ability to consider both RIM and TRC programs in setting realistic conservation goals.

To make the goals process less burdensome for municipal and cooperative electric utilities, we will defer goals setting until after the hearing and agenda conference on goals for investor-owned utilities. We will then have a better idea of the optimum mix of programs to be considered in setting goals for municipal and cooperative electric utilities. An abbreviated list of the most cost-effective conservation programs (both RIM and TRC) will then be tendered to the municipal and cooperative electric utilities, instead of the 110 SRC programs. This will reduce the burden and still allow us to consider the cream of the TRC programs.

It is, therefore,

ORDERED by the Florida Public Service Commission that in setting realistic conservation goals for Florida's municipal and rural cooperative electric utilities that fall under the "Florida Energy Efficiency and Conservation Act" (FEECA), Sections 366.80-366.85, Florida Statutes, the Commission shall not limit its consideration of both Rate Impact Measure (RIM) and Total Resource Cost (TRC) programs at this time. It is further

ORDERED that goal setting for municipal and rural cooperative electric utilities will be deferred until after the hearing and agenda conferences for Florida's investor-owned utilities.

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By ORDER of the Florida Public Service Commission this 8th day
of September, 1993.

STEVE TRIBBLE, Director
Division of Records and Reporting

(S E A L)
MAH

by: Kay J. Lynn
Chief, Bureau of Records

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.

Any party adversely affected by this order, which is preliminary, procedural or intermediate in nature, may request: (1) reconsideration within 10 days pursuant to Rule 25-22.038(2), Florida Administrative Code, if issued by a Prehearing Officer; (2) reconsideration within 15 days pursuant to Rule 25-22.060, Florida Administrative Code, if issued by the Commission; or (3) judicial review by the Florida Supreme Court, in the case of an electric, gas or telephone utility, or the First District Court of Appeal, in the case of a water or wastewater utility. A motion for reconsideration shall be filed with the Director, Division of Records and Reporting, in the form prescribed by Rule 25-22.060, Florida Administrative Code. Judicial review of a preliminary, procedural or intermediate ruling or order is available if review of the final action will not provide an adequate remedy. Such review may be requested from the appropriate court, as described above, pursuant to Rule 9.100, Florida Rules of Appellate Procedure.