

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Adoption of Numeric) DOCKET NO. 930556-EG
Conservation Goals and)
Consideration of National Energy)
Policy Act Standards (Section)
111) by the City of Lakeland.)
_____)
In Re: Approval of Demand-Side) DOCKET NO. 950445-EG
Management Plan of the City of) ORDER NO. PSC-96-0028-S-EG
Lakeland.) ISSUED: January 8, 1996
_____)

The following Commissioners participated in the disposition of this matter:

SUSAN F. CLARK, Chairman
J. TERRY DEASON
JOE GARCIA
JULIA L. JOHNSON
DIANE K. KIESLING

NOTICE OF PROPOSED AGENCY ACTION
ORDER APPROVING AMENDED JOINT STIPULATION AND DEMAND-SIDE
MANAGEMENT PLAN OF THE CITY OF LAKELAND

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 substantially affected files a petition for a formal proceeding, pursuant to Rule 25-22.029, Florida Administrative Code.

CASE BACKGROUND

The Florida Energy Efficiency and Conservation Act (FEECA), Chapter 366.82, Florida Statutes, requires the Commission to adopt goals to reduce and control the growth rates of electric consumption and weather-sensitive peak demand. By Order No. PSC-95-0461-FOF-EG, issued April 10, 1995, in Docket No. 930556-EG, the Commission set numeric demand-side management (DSM) goals for the City of Lakeland and the other municipal and electric cooperative utilities subject to FEECA. Rule 25-17.0021(4), Florida Administrative Code, states that within 90 days of a final order establishing goals, each utility shall submit a DSM plan designed to meet its goals.

DOCUMENT NUMBER-DATE

00243 JAN-88

FPSC-RECORDS/REPORTING

On August 25, 1995, the City of Lakeland (LAKELAND or the city) filed its DSM Plan. Incorporated in this plan was a separate request to modify its residential DSM goals due to errors in its estimate of potential participation in its residential DSM programs. As a result, on November 9, 1995, Lakeland and the Florida Department of Community Affairs (DCA) filed an Amended Joint Stipulation of Lakeland's DSM goals. Docket 930556-EG was reopened on November 16, 1995 to address this matter.

In Order No. 22176, issued November 14, 1989 in Docket No. 890737-PU, the Commission stated that conservation programs will be judged by the following criteria:

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?

Criterion #3 does not apply to municipal and cooperative electric utilities because the Commission does not have rate setting authority. Hence, as Order 22176 states these utilities are free to implement programs that are not cost-effective. This has been considered in the analysis of Lakeland's DSM Plan.

DECISION

Lakeland discovered an error in the population data used to evaluate several residential load control measures after the Commission had established Lakeland's DSM goals in Docket No. 930556-EG. In the goal setting process, Lakeland used the total number of residential electric customers in its analysis of several residential load control measures. Lakeland has an existing residential load control program. By utilizing the total population of residential customers in the analysis for goal setting, Lakeland included those customers which were already on load control. The results of this analysis overstated the potential for additional savings from load control.

Lakeland has since adjusted the population data for residential load control and rerun the analysis for the residential load control measures. The results show a 6.9% decrease in Lakeland's summer demand goal, a 53.7% decrease in its winter demand goal, and a 5.4% reduction in the annual energy goal. The

revised goals are listed in Exhibit "A" to the Amended Joint Stipulation which is attached hereto and made a part hereof as Attachment A.

We find that the RIM-based goals contained in the Amended Joint Stipulation between Lakeland and the DCA are reasonable; therefore, we approve the Amended Joint Stipulation.

The DSM plan proposed by the City of Lakeland consists of three residential programs and three commercial / industrial (C/I) programs. A review of the city's plan reveals that the conservation programs meet the Commission's three-pronged test. A summary of Lakeland's programs is provided below.

Residential Programs

1. Residential Energy Audit: The Program is designed to help customer reduce energy consumption and improve home energy efficiency. Lakeland offers two types of audits: Type A (walk-through) and Type B (computer-assisted). The Type A audit is a basic inspection performed at no cost to the customer. The auditor recommends low-cost or no-cost energy-saving measures and estimates the potential savings and payback times associated with these measures. The Type B audit is a more complex, computer-aided audit that is offered to the customer at a charge of \$20.
2. Home Energy Fix-Up: The Program helps improve the thermal efficiency of the home by assisting the customer in upgrading to more efficient appliances. In conjunction with this program, Lakeland offers its customers two financing options: 1) a secured, low-interest five-year loan; or 2) a one-time incentive ranging from \$150 to \$350. For customers that choose to make major HVAC system improvements, Lakeland offers a \$60 blower door test to be performed both before and after the HVAC improvements are made.
3. SMART Load Management: This program is a voluntary, direct load control program that allows Lakeland to reduce peak demand. At its option, during peak periods, Lakeland can interrupt electric service to water heaters, central electric heating systems, and central electric cooling systems. Program has two segments: a voluntary program for homes built prior to January 1, 1990; and a mandatory program for all new residential construction after that date. Monthly customer

incentive levels range from \$4.50 to \$15.75 depending on the control schedule and the appliance being controlled.

Commercial & Industrial (C/I) Programs

1. **C/I Lighting:** This is a new program which promotes the installation of energy-efficient lighting fixtures. After performing a lighting audit, Lakeland provides C/I customers with up-to-date lighting efficiency standards, as well as payback times for investments in energy-efficient lighting.
2. **C/I Energy Audit:** In this Program auditors survey a C/I customer's facility paying particular attention to thermal efficiency, hot water system, lighting, and HVAC facilities. If needed, energy consultants are hired to perform specific evaluations.
3. **C/I HVAC Program:** This Program promotes the use of high-efficiency heating and cooling equipment, such as new chiller systems, thermal energy storage systems, and packaged heat pump systems. Duct systems and insulation are inspected. Lakeland's staff estimates the energy savings and payback times for the energy-efficient HVAC equipment. When replacement of motors is needed, auditors estimate savings associated with high-efficiency motors over standard designs.

In addition to the above-mentioned DSM programs, Lakeland also offers time-of-use, interruptible, and curtailable rate schedules to the commercial / industrial class.

Based on the foregoing, we approve the City of Lakeland's DSM plan.

In Lakeland's petition for approval of its DSM plan, the city requested blanket approval to take DSM savings that exceed the DSM goal in one customer class and apply them to the other class (residential to C/I and vice-versa). By Order No. PSC-95-0461-FOF-EG, this Commission deliberately set separate DSM goals for the residential class and the commercial/industrial class and directed the municipal and cooperative electric utilities to file DSM plans to meet these goals. While Lakeland's argument that "a megawatt saved is a megawatt saved," regardless of whether or not that megawatt came from the residential DSM program or the C/I program may be true, it is not relevant. We set class-specific goals, and we believe that it is premature for the Commission to grant blanket approval for Lakeland to shift DSM savings from one customer class

to the other. Our position that a decision on this issue is premature has not changed since we addressed it when Florida Power Corporation petitioned for similar treatment of its DSM savings in Docket No. 941171-EG. We find that Lakeland shall be required to petition for Commission approval for each instance in which Lakeland wants to offset its DSM savings between customer classes.

Based on the foregoing, it is, therefore

ORDERED that the Amended Joint Stipulation between the City of Lakeland and the Department of Community Affairs modifying the City of Lakeland's Demand-Side Management Goals is approved as discussed in the body of this Order. It is further

ORDERED that the City of Lakeland's Demand-Side Management plan is approved as discussed in the body of this Order. It is further

ORDERED that the City of Lakeland shall petition the Commission when it specifically wants to shift DSM savings from one customer class to another. It is further

ORDERED that Docket Numbers 930556-EG and 950445-EG are severable. A protest to any proposed agency action respective to one docket shall not delay proposed actions relative to the other docket from becoming final. It is further

ORDERED that the provisions of this Order, issued as proposed agency action, shall become final and effective unless an appropriate petition, in the form provided by Rule 25-22.036, Florida Administrative Code, is received by the Director, Division of Records and Reporting, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, by the close of business on the date set forth in the "Notice of Further Proceedings or Judicial Review" attached hereto. It is further

ORDERED that in the event this Order becomes final, these dockets should be closed.

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By ORDER of the Florida Public Service Commission, this 8th
day of January, 1996.

BLANCA S. BAYÓ, Director
Division of Records and Reporting

by: *Kay Feun*
Chief, Bureau of Records

(S E A L)

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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, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, by the close of business on January 29, 1996.

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.

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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 substantially 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 wastewater 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.

BEFORE THE PUBLIC SERVICE COMMISSION

In Re: Adoption of Numeric Conservation
Goals and Consideration of National Energy
Policy Act Standards (Section 111)
by CITY OF LAKELAND.

Docket No. 930556-EG

In Re: Approval of Demand-Side Management
Plan of the City of Lakeland

Docket No. 950445-EG
Filed: November 9, 1995

AMENDED JOINT STIPULATION

The City of Lakeland ("Lakeland") and the Florida Department of Community Affairs ("DCA") hereby jointly stipulate and agree to the following:

WHEREAS, the City of Lakeland in accordance with Rule 25-17.001-.005 of the Florida Administrative Code submitted a conservation cost effectiveness evaluation under Docket #930556-EG in December, 1994 to the Florida Public Service Commission ("FPSC"). The purpose of this submittal was to establish numeric DSM conservation goals for the City of Lakeland; and

WHEREAS, based upon the cost-effectiveness evaluation, Lakeland and DCA entered into a Joint Stipulation; and

WHEREAS, Lakeland requests a modification of its Joint Stipulation with the Department of Community Affairs filed on February 15, 1995 in Docket No. 930556-EG; and

WHEREAS, Lakeland received approval of its goals submitted in April, 1995 under FPSC Order No. FPSC-95-0461-FOF-EG; and

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WHEREAS, this Amended Joint Stipulation comes as the result of an error found in the population data used to evaluate the direct load control programs under "New and Existing Measures"; RSC-8A, RSC-8B, RSC-26A, RSC26-B, WH-10, PP-3; and ~

WHEREAS, in Lakeland's evaluation procedure the base population used for all measures was the total population associated with the respective customer class. From this population Lakeland calculated penetration rates for each measure using diffusion curves and technical feasibility percentages associated with the respective measure. This information was taken from the 1993 Synergic Resources Corporation (SRC) Final Report No. 7777-R8 to the Florida Energy Office; and

WHEREAS, unlike the majority of the measures that can use the total population as a base, direct load control measures must consider the significant number of customers already participating in Lakeland's existing Direct Load Control Program. Since these customers are already measure participants, they must be removed from the population eligible to participate. Lakeland inadvertently included these embedded customers in its original filing. As a result the expected penetration levels for these measures were too high. By removing these customers, as reflected in Lakeland's revised filing, appropriate penetration levels consistent with all other measure evaluations are achieved. These adjustments have been made in Lakeland's accompanying refiling of direct load control measures located in Appendix A to Lakeland's Demand Side Management Plan filed in Docket No. 950445-EG ("DSM Plan"); and

WHEREAS, Appendix A to the DSM Plan contains copies of revised Florida

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Integrated Resource Evaluator (FIRE) model runs for the direct load control measures in question with the appropriate penetration levels; and


WHEREAS, a revised copy of Lakeland's CEGRR is contained in Appendix B to the DSM Plan, adjusted for new cost effectiveness calculations obtained from FIRE model runs; and

WHEREAS, a revised copy of Lakeland's CEGRR is contained in Appendix C to the DSM Plan, adjusted to reflect modified cumulative KW and KWD savings for both the Rate Impact Measure (RIM) Test and Total Resource Calculation (TRC) Test.

NOW, THEREFORE, the City of Lakeland and the Florida Department of Community Affairs hereby jointly stipulate and agree to this Amended Joint Stipulation as set forth above and agree that Lakeland's revised conservation goals are as set forth in Exhibit "A" attached hereto.

Respectfully submitted this 9th day of November, 1995.


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State of Florida
Department of Community Affairs
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CERTIFICATE OF SERVICE

I HEREBY CERTIFY that an original and 15 copies of the foregoing Amended Joint Stipulation were filed with Ms. Blanca S. Bayó, Director, Division of Records and Reporting, Florida Public Service Commission, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850; and that a true and correct copy of the foregoing was furnished to the following named individuals by hand delivery on this 9th day of November, 1995.

Robert V. Elias, Esquire
Sheila L. Erstling, Esquire
Florida Public Service Commission
Division of Legal Services, Room 301
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399


FREDERICK M. BRYANT

EXHIBIT "A"

Proposed Conservation Goals For The City of Lakeland						
Residential Measures				Commercial / Industrial Measures		
Year	Winter kW Reduction	Summer kW Reduction	mWh Energy Reduction	Winter kW Reduction	Summer kW Reduction	mWh Energy Reduction
1996	758	943	101	90	327	439
1997	1,324	1,652	176	158	570	775
1998	2,271	2,830	302	269	979	1,320
1999	3,782	4,716	503	454	1,635	2,224
2000	6,056	7,546	805	723	2,614	3,544
2001	9,081	11,319	1,208	1,084	3,922	5,315
2002	13,243	16,508	1,761	1,580	5,716	7,752
2003	17,785	22,168	2,365	2,124	7,679	10,415
2004	22,325	27,826	2,970	2,665	9,638	13,067
2005	26,865	33,486	3,573	3,208	11,601	15,730