

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Adoption of Numeric
Conservation Goals and
Consideration of National Energy
Act Standards (Section 111) by
Jacksonville Electric Authority.

DOCKET NO. 990720-EG
ORDER NO. PSC-00-0588-FOF-EG
ISSUED: March 23, 2000

The following Commissioners participated in the disposition of this matter:

JOE GARCIA, Chairman
J. TERRY DEASON
SUSAN F. CLARK

ORDER APPROVING NUMERIC CONSERVATION GOALS

BY THE COMMISSION:

Pursuant to Rule 25-17.0021, Florida Administrative Code, this docket was opened for the purpose of establishing numeric conservation goals for JEA for the period 2001 through 2010. This Commission originally established numeric goals for JEA by Order No. PSC-95-0461-FOF-EG, issued April 10, 1995. In accordance with Rule 25-17.0021, Florida Administrative Code, we are required to set goals for each jurisdictional utility at least once every five years. To meet this requirement, we opened this docket and conducted a formal evidentiary hearing on February 21, 2000.

Pursuant to Section 366.82(2), Florida Statutes, the Executive Office of the Governor (Governor's Office) is a party to this proceeding. No other person intervened in this docket.

On November 15, 1999, JEA filed proposed numeric conservation goals for our approval, along with testimony and exhibits in support of the proposed goals. On January 10, 2000, JEA filed revised conservation goals. JEA proposed that its annual residential winter and summer kilowatt (kW) and annual residential kilowatt-hour (kWh) conservation goals for the period 2001 through 2010 should be zero. JEA also proposed that its annual commercial/industrial winter and summer kW and annual commercial/industrial kWh conservation goals for the period 2001 through 2010 should be zero. The testimony and exhibits filed by

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FLORIDA PUBLIC SERVICE COMMISSION

JEA constitute the entire record established at our February 21, 2000, hearing. Based on this record, we find that JEA's proposed numeric conservation goals should be approved, as indicated by our specific findings set forth below.

We find that the planning process and data used by JEA in evaluating demand-side management (DSM) measures is reasonable. JEA used the Commission-approved Florida Integrated Resource Evaluator (FIRE) model to evaluate potential cost-effective DSM measures. The FIRE model considers the costs of an identified avoided unit versus DSM program costs. JEA identified the conversion of two Brandy Branch Combustion turbines as its avoided unit. As a conservative approach, JEA assumed the costs for the avoided unit to hypothetically be total "from the ground up" costs as opposed to the incremental conversion costs. We find that JEA's analysis was appropriate and reasonable in determining the costs and benefits associated with DSM measures.

In addition, we find that JEA's proposed goals adequately reflect consideration of overlapping measures, rebound effects, free riders, interactions with building codes and appliance efficiency standards, and JEA's latest monitoring and evaluation of conservation programs and measures.

Further, we find that JEA's proposed goals are based on an adequate assessment of the market segments and major end-use categories in accordance in Rule 25-17.0021, Florida Administrative Code. JEA tested all of its existing DSM measures in addition to the most cost-effective measure from FPL's 1999 goals. JEA also tested FPL's residential direct load control measure. JEA appropriately used the rate impact measure (RIM) test to determine the cost-effective level of achievable DSM goals, and found that none of these measures was cost-effective. By testing FPL's most cost-effective measure along with its direct load control measure, JEA effectively screened all of FPL's measures for cost-effectiveness. In establishing its 1999 conservation goals, FPL tested approximately 230 DSM measures. Accordingly, we find that JEA adequately assessed all market segments and end-use categories pursuant to Rule 25-17.0021(3), Florida Administrative Code.

We note that although JEA found no DSM measures to be cost-effective, JEA is proposing the continuation of several DSM programs it currently offers. These programs include residential educational seminars, residential energy audits, commercial educational seminars, commercial energy audits, and community

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conservation programs. JEA indicates that it believes these programs will continue to meet the overall needs of its customers at this time.

In conclusion, because no DSM measures were found cost-effective for JEA, it is not appropriate to establish conservation goals for JEA. Accordingly, we find that JEA's proposed annual residential winter and summer kW and annual residential kWh conservation goals of zero for the period 2001 through 2010 are appropriate. Likewise, we find that JEA's proposed annual commercial/industrial winter and summer kW and annual commercial/industrial kWh conservation goals of zero for the period 2001 through 2010 are appropriate. As to those DSM programs that JEA wishes to continue to offer, we find it reasonable to allow JEA to determine whether or not such programs should be continued because JEA is best-situated to determine its customers' needs. We note that JEA is not a rate-regulated utility and does not recover the costs of such programs through this Commission's Energy Conservation Cost Recovery Clause proceedings.

Rule 25-17.0021(4), Florida Administrative Code, requires that JEA, within 90 days of the issuance of this Order, submit for our approval a DSM plan designed to meet its approved numeric conservation goals. Because JEA's approved goals are zero, the rule does not apply in this instance. Thus, JEA shall not be required to file a DSM plan reflecting its approved goals.

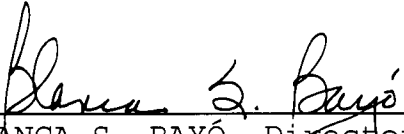
It is therefore,

ORDERED by the Florida Public Service Commission that JEA's proposed numeric conservation goals for the period 2001 through 2010, as set forth in the body of this Order, are hereby approved. It is further

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ORDERED that this docket shall be closed.

By ORDER of the Florida Public Service Commission, this 23rd
day of March, 2000.



BLANCA S. BAYÓ, Director
Division of Records and Reporting

(S E A L)

WCK/SAC

NOTICE OF FURTHER PROCEEDINGS OR JUDICIAL REVIEW

The Florida Public Service Commission is required by Section 120.569(1), 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 the Commission's final action in this matter may request: 1) reconsideration of the decision by filing a motion for reconsideration with the Director, Division of Records and Reporting, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, within fifteen (15) days of the issuance of this order in the form prescribed by Rule 25-22.060, Florida Administrative Code; or 2) 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 and/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 after the issuance 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.

M E M O R A N D U M

March 23, 2000

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RECORDS AND REPORTING

TO: DIVISION OF RECORDS AND REPORTING
FROM: DIVISION OF LEGAL SERVICES (C. KEATING) *wck RVE*
RE: DOCKET NO. 990720-EG - ADOPTION OF NUMERIC CONSERVATION GOALS AND CONSIDERATION OF NATIONAL ENERGY ACT STANDARDS (SECTION 111) BY JACKSONVILLE ELECTRIC AUTHORITY.

0588-FDF

Attached is an ORDER APPROVING NUMERIC CONSERVATION GOALS, to be issued in the above-referenced docket. (Number of pages in order - 4)

WCK/SAC/jb
Attachment
cc: Division of Electric and Gas
I: 990720or.wck

A TRUE COPY
ATTEST _____
Chief, Bureau of Records

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