

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition for extension
of Conservation Research and
Development Program by Florida
Power & Light Company.

DOCKET NO. 030949-EG
ORDER NO. PSC-03-1339-PAA-EG
ISSUED: November 24, 2003

The following Commissioners-participated in the disposition of
this matter:

LILA A. JABER, Chairman
J. TERRY DEASON
BRAULIO L. BAEZ
RUDOLPH "RUDY" BRADLEY
CHARLES M. DAVIDSON

NOTICE OF PROPOSED AGENCY ACTION
ORDER GRANTING APPROVAL OF PETITION FOR EXTENSION OF
CONSERVATION RESEARCH AND DEVELOPMENT PROGRAM
BY FLORIDA POWER & LIGHT COMPANY

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.

Pursuant to the Florida Energy Efficiency and Conservation Act, Section 366.82, Florida Statutes, and Rule 25-17.001, Florida Administrative Code, Florida Power and Light (FPL) is required to file a Demand Side Management (DSM) Plan for our approval and is entitled to seek recovery of associated expenditures. We approved FPL's "Demand Side Management Plan for the 2000's" pursuant to Order No. PSC-99-1942-FOF-EG, issued October 1, 1999, Docket No. 971004-EG, In Re: Adoption of Numeric Conservation Goals by Florida Power & Light Company. FPL's plan contains 21 programs, including six research and development (R&D) programs.

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FPCO-DOCKETING SECTION

One of the R&D elements approved is the Conservation Research and Development Program (CRD Program). The CRD Program is intended to serve as an umbrella program for the research and development of promising technologies. The CRD program was first approved pursuant to Order No. 23560, issued October 2, 1990, Docket No. 900091, In Re: Request for approval of Energy Conservation Plan by Florida Power & Light Company. Since then, we have approved six modifications to the CRD Program. However, the spending cap was never changed from the \$1,500,000 level. Most recently, we continued this program through December 31, 2003 when we granted an extension by Order No. PSC-02-1447-PAA-EG, issued October 21, 2002, Docket No. 020897-EG, In Re: Petition for extension of Conservation Research and Development Program by Florida Power & Light Company.

Because approval for this program will end this year, FPL filed a petition on September 29, 2003, to extend the CRD Program. We have jurisdiction to consider this matter in accordance with Section 366.82(2), Florida Statutes.

In its petition, FPL argues that the CRD Program should continue in order to maintain ongoing research to determine if demand side concepts can be developed into programs which are marketable to FPL customers. In addition, FPL contends that the CRD Program should continue in order to respond to emerging cost-effective demand side management technologies. Therefore, an extension of the CRD Program would allow FPL to collect data that is needed to measure the cost-effectiveness of these new technologies.

FPL's activities under the CRD Program have resulted in recent petitions for approval of several new conservation programs. These include the BuildSmart and C/I Building Envelope Program, both of which we have approved. BuildSmart is a program which utilizes FPL energy consultants to encourage homebuilders to incorporate energy efficiency measures beyond minimum code requirements. The C/I Building Envelope Program encourages FPL customers to install retrofit measures such as qualifying window treatments, roof/ceiling insulation, or reflective roof coating.

FPL is seeking an extension of the CRD Program until December 31, 2004. However, FPL is not requesting an increase to the current \$1,500,000 expenditure cap for the CRD Program. To date,

approximately \$750,000 has been spent and recovered from FPL's customers. Because of the research nature of the program, no direct demand or energy reductions are quantifiable. As a result, no cost effectiveness tests were performed for this program. However, this program does advance the objectives of the Florida Energy Efficiency and Conservation Act (FEECA), which are to: (1) reduce the growth rate of weather sensitive peak demands, (2) reduce and control the growth rate of energy consumption and (3) increase the conservation of expensive resources.

Accordingly, this program extension shall be approved, and FPL shall be allowed to recover reasonable and prudent expenditures up to the limits previously discussed for the CRD Program through the Energy Conservation Cost Recovery Clause. FPL shall continue to file detailed quarterly reports to the Commission staff on this program.

Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that Florida Power & Light's petition for extension of its conservation research and development program shall be granted. It is further

ORDERED that Florida Power & Light shall be allowed to recover reasonable and prudent expenditures up to the limits discussed herein through the Energy Conservation Cost Recovery Clause. It is further

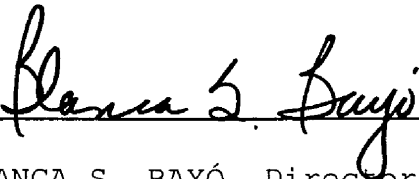
ORDERED that Florida Power & Light shall continue to file detailed quarterly reports to the Commission staff on this program. It is further

ORDERED that the provisions of this Order, issued as proposed agency action, shall become final and effective upon the issuance of a Consummating Order unless an appropriate petition, in the form provided by Rule 28-106.201, Florida Administrative Code, is received by the Director, Division of the Commission Clerk and Administrative Services, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, by the close of business on the date set forth in the "Notice of Further Proceedings" attached hereto. It is further

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ORDERED that in the event this Order becomes final, this docket shall be closed.

By ORDER of the Florida Public Service Commission this 24th Day of November, 2003.



BLANCA S. BAYÓ, Director
Division of the Commission Clerk
and Administrative Services

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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 that is available under Section 120.57, 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 will be granted or result in the relief sought.

Mediation may be available on a case-by-case basis. If mediation is conducted, it does not affect a substantially interested person's right to a hearing.

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The action proposed herein is preliminary in nature. Any person whose substantial interests are affected by the action proposed by this order may file a petition for a formal proceeding, in the form provided by Rule 28-106.201, Florida Administrative Code. This petition must be received by the Director, Division of the Commission Clerk and Administrative Services, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, by the close of business on December 15, 2003.

In the absence of such a petition, this order shall become final and effective upon the issuance of a Consummating Order.

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