

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition to amend energy education,
awareness and agency outreach program, by
Tampa Electric Company.

DOCKET NO. 170015-EI
ORDER NO. PSC-17-0206-PAA-EI
ISSUED: May 24, 2017

The following Commissioners participated in the disposition of this matter:

JULIE I. BROWN, Chairman
ART GRAHAM
RONALD A. BRISÉ
JIMMY PATRONIS
DONALD J. POLMANN

NOTICE OF PROPOSED AGENCY ACTION ORDER APPROVING
TAMPA ELECTRIC COMPANY'S REVISED PETITION TO AMEND ITS
ENERGY EDUCATION, AWARENESS, AND AGENCY OUTREACH PROGRAM

BY THE COMMISSION:

NOTICE is hereby given by the Florida Public Service Commission (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 (F.A.C.).

BACKGROUND

On August 11, 2015, this Commission approved Tampa Electric Company's (TECO or Utility) Demand-Side Management (DSM) plan.¹ The plan includes the Utility's Energy Education, Awareness, and Agency Outreach Program (Education Program), which had an original start date of March 2010. The Education Program includes three conservation initiatives: public energy education, energy awareness, and agency outreach. The energy education and awareness initiatives are intended to engage groups of customers and students in discussions related to energy efficiency. The utility's outreach initiative provides for the delivery of energy efficiency kits that will help educate ratepayers on practices that help reduce energy consumption. These kits contain the following: (1) four compact fluorescent lamps; (2) two low-flow faucet aerators; (3) an air filter whistle to remind residents to clean or change their filter monthly; (4) a hot water temperature card to check the water heater's temperature setting for opportunity for turn down; (5) a wall plate thermometer to check the accuracy of their existing thermostat setting; and (6) no-cost energy efficiency recommendations that can be immediately

¹Order No. PSC-15-0323-PAA-EG, issued August 11, 2015, in Docket No. 150081-EG, *In re: Petition of Approval of Demand-Side Management Plan of Tampa Electric Company*.

adopted. In 2016, the use of these kits produced an estimated annual energy savings of 166,491 kilowatt-hours (kWh) at the generator and contributed towards TECO's conservation goals set by this Commission.

On January 10, 2017, TECO filed a petition to amend its Education Program (Amendment) to offer select high school students energy education regarding electric vehicles (EV). The estimated total cost for TECO's Amendment was approximately \$1.8 million through the year 2020. The Amendment's Program Participation Standards were submitted concurrently with the Amendment. On April 10, 2017, our staff held an informal meeting with the Utility to discuss the Amendment. During the meeting, staff expressed its concerns that the Amendment was initially a load building program that contained a relatively large amount of capital costs, which are not normally associated with an education program.

On April 19, 2017, the Utility filed a revised petition for its Amendment (Revised Amendment). This revision substantially reduced the capital cost previously associated with the Amendment. The estimated total cost of the Revised Amendment is \$439,800 through the year 2020. Revised Program Participation Standards were submitted concurrently with the Revised Amendment. The Utility requested a decision by May 4, 2017, so that the Revised Amendment could be implemented by Fall of the 2017 school year.

This Commission has jurisdiction over this matter pursuant to Sections 366.80 through 366.83 and 403.519, Florida Statutes (F.S.), collectively known as the Florida Energy Efficiency and Conservation Act (FEECA).

REVIEW

The criteria used by this Commission to review the appropriateness of DSM programs are: (1) whether the program advances the policy objectives of FEECA and its implementing rules; (2) whether the program is directly monitorable and yields measurable results; and (3) whether the program is cost-effective.² However, education programs are behavioral and it may not be possible for such programs to pass cost-effectiveness tests due to the difficulty of measuring the amount of savings. As discussed below, we have reviewed TECO's Revised Amendment and associated Revised Program Participation Standards and find that they meet the criteria as a DSM education program.

Program Description

By its Revised Amendment, TECO proposes to offer select high school students within its service territory energy education relating to the operation, maintenance, and ownership considerations of EVs. The Utility will partner with a limited number of high schools' driver's education training programs, one in the Fall semester of 2017 and expanding to a maximum of five through 2020. TECO states that:

²See e.g. Order No. PSC-15-0323-PAA-EG

This new aspect of the company's program will offer students the opportunity to learn: the proper driving skills needed to maximize energy efficient driving with EV; types, characteristics and operations of different EV charging technologies; considerations of EV ownership which will help reduce the anxiety of maintaining and operating an EV; about electric rates and when charging the EV is the least expensive; and the importance of reducing the total energy usage consumed while owning an EV.

TECO originally proposed to provide six EVs, three charger stations, and other supplemental supplies to each participating high school as a part of the driver's education program. However, by its Revised Amendment, the Utility substantially reduced the capital cost previously associated with the Amendment. As a part of the revision, the Utility reduced the number of EVs and charging stations to one per school, and will only fund the incremental costs to lease or purchase the EV. The Utility will seek to recover, through the Energy Conservation Cost Recovery (ECCR) clause, (1) the incremental costs, above the cost of a traditional gasoline-fueled vehicle, necessary to lease or purchase the required number of EVs and (2) the total cost to purchase and install the required charging stations. TECO's revision reduced the cost to the minimum level required to fully implement the Revised Amendment. The Utility estimates that the Revised Amendment will cost \$439,800 through the year 2020.

Program Advancement of FEECA Objectives

The Utility states that the Revised Amendment is,

consistent with the Commission's past practice of focusing on energy education and making customers aware of energy efficient technologies while expanding it to place emphasis on decreasing the energy consumption from the resultant use of an EV as well as educating the driver when to charge the EV to minimize any concurrent peak demand impacts to the company.

Education programs are intended to inform ratepayers about the impact of electricity-consuming devices and appliances on the electric system, the ratepayers' roles as consumers of electricity, and actions that could help conserve energy or reduce peak demand. In its revised petition, the Utility addresses these purposes by providing education associated with EVs. Although we have concerns with the potential load building role of EVs, we find that providing general information regarding the impact of EVs on the electric system, and the efficient use of EVs is consistent with the policy objectives of FEECA.

Program Cost

While the costs of implementing the Revised Amendment includes more capital items than other educational programs, through its revised petition TECO seeks to minimize the amount of capital needed. As shown in the table below, 26.3 percent of the proposed cost is

allocated to educational purposes. Capital projects and the associated maintenance make up 57.5 percent of the Revised Amendment's incremental costs; this includes the lease of EVs, installation of chargers, and annual inspections.

Revised Amendment Cost Breakdown

	2017	2018	2019	2020	Total	% of Grand Total
Electric Vehicles	\$3,000	\$18,000	\$24,000	\$24,000	\$69,000	15.7%
Charger	\$8,000	\$32,000	\$0	\$0	\$40,000	9.1%
Charger Installation	\$27,000	\$108,000	\$0	\$0	\$135,000	30.7%
Charger Inspections	\$0	\$800	\$4,000	\$4,000	\$8,800	2.0%
Program Manager	\$10,000	\$15,000	\$15,000	\$15,000	\$55,000	12.5%
Materials	\$8,000	\$16,000	\$16,000	\$16,000	\$56,000	12.7%
Program Curriculum	\$60,000	\$0	\$0	\$0	\$60,000	13.6%
Advertising	\$4,000	\$4,000	\$4,000	\$4,000	\$16,000	3.6%
Annual Total	\$120,000	\$193,800	\$63,000	\$63,000		
Projected Grand Total					\$439,800	100%

The Utility expects approximately 350 participants in the first year and 1,750 participants each year thereafter, for a total of 5,600 drivers over three years. Given the projected \$439,800 in total costs, this equates to a cost of approximately \$79 per participating student. By comparison, the Utility's projected 2016 costs for its existing Education Program were \$75,632, which equates to approximately \$99 per energy kit provided.

The Utility also intends to pursue a partnership with an EV manufacturing company after the first year of implementing the Revised Amendment, in hopes that the capital costs of the EVs can be eliminated. We encourage the Utility to pursue these partnerships in order to reduce ratepayer expenses associated with the Revised Amendment.

Program Monitoring and Evaluation

In order to monitor the effectiveness of the Revised Amendment, TECO plans for regular collaboration with the participating schools, teachers, and students. TECO also plans to conduct surveys of both the teachers and students. Because the Utility does not expect immediate annual energy consumption savings, no verification of savings data is necessary.

Cost-Effectiveness Review

There are no demand or energy savings associated with the Revised Amendment. Consistent with other education programs, it may not be possible for the Revised Amendment to pass this Commission's cost-effectiveness tests due to the difficulty of measuring the results. The current Education Program passed the Total Resource Cost (TRC) and Participant Tests and

complied with the requirements to assist and educate low-income customers. The current Education Program failed the Rate Impact Measure (RIM) test, but includes minimal costs associated with energy efficiency kits. TECO provided a cost-effectiveness analysis of the Revised Amendment which showed a reduction in all three cost-effectiveness tests but still maintained passing results for the TRC and Participant Tests.

DECISION

We find that TECO's Revised Amendment advances the policy objectives of FEECA and its implementing rules. By its Revised Amendment, TECO will educate ratepayers on energy efficient technologies and energy conservation. Upon review, we grant TECO's revised petition to amend its Education Program.

The Revised Program Participation Standards were submitted concurrently with the Revised Amendment. We have reviewed these standards and find them to be sufficient. Therefore, the costs associated with the Revised Amendment shall be eligible for cost recovery through the ECCR clause.

While the Revised Amendment advances the policy objectives of FEECA and its implementing rules, the addition of EVs to the grid will initially increase overall energy consumption. The potential for future energy savings resulting from the Revised Amendment are speculative and, therefore, must be carefully considered before expansion of this, or similar, programs.

Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that Tampa Electric Company's revised petition to amend its Energy Education, Awareness, and Agency Outreach Program is hereby granted as set forth in the body of this Order. It is further

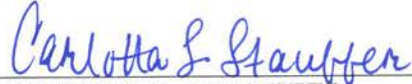
ORDERED that costs associated with the Revised Amendment to the Energy Education, Awareness, and Agency Outreach Program shall be eligible for cost recovery through Tampa Electric Company's Energy Conservation Cost Recovery factor. It is further

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 Commission Clerk, 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

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

ORDER NO. PSC-17-0206-PAA-EI
DOCKET NO. 170015-EI
PAGE 6

By ORDER of the Florida Public Service Commission this 24th day of May, 2017.



CARLOTTA S. STAUFFER
Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399
(850) 413-6770
www.floridapsc.com

Copies furnished: A copy of this document is provided to the parties of record at the time of issuance and, if applicable, interested persons.

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 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.

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 Office of Commission Clerk, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, by the close of business on June 14, 2017.

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.