

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Proposed amendment of Rule 25-
17.0021, F.A.C., Goals for Electric Utilities.

DOCKET NO. 20200181-EU
ORDER NO. PSC-2023-0165-FOF-EU
ISSUED: May 18, 2023

The following Commissioners participated in the disposition of this matter:

ANDREW GILES FAY, Chairman
ART GRAHAM
GARY F. CLARK
MIKE LA ROSA
GABRIELLA PASSIDOMO

NOTICE OF ADOPTION OF RULE

BY THE COMMISSION:

NOTICE is hereby given that the Florida Public Service Commission, pursuant to Section 120.54, Florida Statutes, has adopted without change Rule 25-17.0021, Florida Administrative Code.

The rule was filed with the Department of State on May 17, 2023, and will be effective on June 6, 2023. A copy of the rule as filed with the Department is attached to this Notice.

This docket is closed upon issuance of this Notice.

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By ORDER of the Florida Public Service Commission this 18th day of May, 2023.



ADAM J. TEITZMAN
Commission Clerk

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

JHR

25-17.0021 Goals for Electric Utilities.

(1) The Commission ~~will shall~~ initiate a proceeding at least once every five years to establish numerical goals for each affected electric utility, as defined by Section 366.82(1)(a), F.S., to reduce the growth rates of weather-sensitive peak demand, to reduce and control the growth rates of electric consumption, and to increase the conservation of expensive resources, such as petroleum fuels. The Commission will set annual Overall Residential kilowatt (KW) and kilowatt-hour (KWH) goals and annual overall Commercial/Industrial KW and KWH goals shall be set by the Commission for each year over a ten-year period. The goals will shall be based on:

(a) An assessment of the technical potential of available measures; and

(b) An estimate of the total cost-effective KW kilowatt and KWH kilowatt-hour savings reasonably achievable through demand-side management programs in each utility's service area over a ten-year period.

(2) Pursuant to the schedule in an order establishing procedure in the proceeding to establish demand-side management goals, each utility must file a technical potential study. The Commission shall set goals for each utility at least once every five years. The technical potential study must be used to develop the proposed demand-side management goals, and it must assess the full technical potential of all available demand-side conservation and efficiency measures, including demand-side renewable energy systems, associated with each of the following market segments and major end-use categories.

Residential Market Segment:

(Existing Homes and New Construction should be separately evaluated) Major End-Use Category

(a) Building Envelope Efficiencies.

(b) Cooling and Heating Efficiencies.

(c) Water Heating Systems.

(d) Lighting Efficiencies.

(e) Appliance Efficiencies.

(f) Peak Load Shaving.

(g) Solar Energy and Renewable Energy Sources.

Commercial/Industrial Market Segment:

(Existing Facilities and New Construction should be separately evaluated) Major End-Use Category

(h) Building Envelope Efficiencies.

(i) Cooling and Heating Efficiencies.

(j) Lighting Efficiencies.

(k) Appliance Efficiencies.

(l) Power Equipment/Motor Efficiency.

(m) Peak Load Shaving.

(n) Water Heating Systems.

(o) Refrigeration/Freezing Equipment.

(p) Solar Energy and Renewable Energy Sources.

(q) High Thermal Efficient Self Service Cogeneration.

Each utility's filing must describe how the technical potential study was used to develop the goals filed pursuant to subsection (3) below, including identification of measures that were analyzed but excluded from consideration. The Commission on its own motion or petition by a substantially affected person or a utility may initiate a proceeding to review and, if appropriate, modify the goals. All modifications of the approved goals, plans and programs shall only be on a prospective basis.

(3) Pursuant to the schedule in an order establishing procedure in the proceeding to establish demand-side management goals, each utility must file its proposed demand-side management goals. In a proceeding to establish or modify goals, each utility shall propose numerical goals for the ten year period and provide ten year projections, based upon the utility's most recent planning process, of the total, cost-effective, winter and summer peak demand (KW) and annual energy (KWH) savings reasonably achievable in the residential and commercial/industrial classes through demand side management. Each utility must also file demand-side management goals developed under two scenarios: one scenario that includes potential demand-side management programs that pass the Participant and Rate Impact Measure Tests, and one scenario that includes potential demand-side management programs that pass the Participant and Total Resource Cost Tests, as these terms are used in Rule 25-17.008, F.A.C. Each utility's goal projections projection must be based on the utility's most recent planning process and must shall reflect the annual KW and KWH savings, over a ten-year period, from potential demand-side management programs with consideration of overlapping measures, rebound effects, free riders, interactions with building codes and appliance

efficiency standards, and the utility's latest monitoring and evaluation of conservation programs and measures. In addition, for each potential demand-side management program identified in the proposed goals and in each scenario described above, each utility must provide overall estimated annual program costs over a ten-year period. Each utility's projections shall be based upon an assessment of, at a minimum, the following market segments and major end use categories.

Residential Market Segment:

~~(Existing Homes and New Construction should be separately evaluated) Major End Use Category~~

- ~~(a) Building Envelope Efficiencies.~~
- ~~(b) Cooling and Heating Efficiencies.~~
- ~~(c) Water Heating Systems.~~
- ~~(d) Appliance Efficiencies.~~
- ~~(e) Peakload Shaving.~~
- ~~(f) Solar Energy and Renewable Energy Sources.~~
- ~~(g) Renewable/Natural gas substitutes for electricity.~~
- ~~(h) Other.~~

Commercial/Industrial Market Segment:

~~(Existing Facilities and New Construction should be separately evaluated) Major End Use Category~~

- ~~(i) Building Envelope Efficiencies.~~
- ~~(j) HVAC Systems.~~
- ~~(k) Lighting Efficiencies.~~
- ~~(l) Appliance Efficiencies.~~
- ~~(m) Power Equipment/Motor Efficiency.~~
- ~~(n) Peak Load Shaving.~~
- ~~(o) Water Heating.~~
- ~~(p) Refrigeration Equipment.~~
- ~~(q) Freezing Equipment.~~
- ~~(r) Solar Energy and Renewable Energy Sources.~~

~~(s) Renewable/Natural Gas substitutes for electricity.~~

~~(t) High Thermal Efficient Self Service Cogeneration.~~

~~(u) Other.~~

(4) Within 90 days of a final order establishing or modifying goals, each utility must file its demand-side management plan that includes the programs to meet the approved goals, along with program administrative standards that include a statement of the policies and procedures detailing the operation and administration of each program. ~~or such longer period as approved by the Commission, each utility shall submit for Commission approval a demand-side management plan designed to meet the utility's approved goals.~~ The following information ~~must~~ shall be ~~filed~~ submitted for each demand-side management program included in the utility's demand-side management plan for a ten-year projected horizon period:

(a) The program name;

(b) The program start date;

~~(c) A statement of the policies and procedures detailing the operation and administration of the program;~~

~~(c)(d)~~ The total number of customers₁ or other appropriate unit of measure₂ in each class of customer (i.e. residential, commercial, industrial, etc.) for each calendar year in the planning horizon;

~~(d)(e)~~ The total number of eligible customers₁ or other appropriate unit of measure₁ in each class of customers (i.e., residential, commercial, industrial, etc.) for each calendar year in the planning horizon;

~~(e)(f)~~ An estimate of the annual number of customers₁ or other appropriate unit of measure₂ in each class of customers projected to participate in the program for each calendar year of the planning horizon, including a description of how the estimate was derived;

~~(f)(g)~~ The cumulative penetration levels of the program by calendar year calculated as the percentage of projected cumulative participating customers₁ or appropriate unit of measure₂ by year to the total customers eligible to participate in the program;

~~(g)(h)~~ Estimates on an appropriate unit of measure basis of the per customer and program total annual KWH reduction, winter KW reduction, and summer KW reduction, both at the customer meter and the generation level, attributable to the program. A summary of all assumptions used in the estimates and a list of measures within the program must ~~will~~ be included;

~~(h)~~(i) A methodology for measuring actual KW kilowatt and KWH kilowatt-hour savings achieved from each program, including a description of research design, instrumentation, use of control groups, and other details sufficient to ensure that results are valid;

~~(i)~~(j) An estimate of the cost-effectiveness of the program using the cost-effectiveness tests required pursuant to Rule 25-17.008, F.A.C. ~~If the Commission finds that a utility's conservation plan has not met or will not meet its goals, the Commission may require the utility to modify its proposed programs or adopt additional programs and submit its plans for approval.~~

(j) An estimate of the annual amount to be recovered through the energy conservation cost recovery clause for each calendar year in the planning horizon.

(5) The Commission may, on its own motion or on a petition by a substantially affected person or a utility, initiate a proceeding to review and, if appropriate, modify the goals. All modifications of the approved goals, plans, and programs will be on a prospective basis.

~~(6)~~(5) Each utility must ~~shall~~ submit an annual report no later than March 1 ~~of each year~~ summarizing its demand-side management plan and the total actual achieved results for its approved demand-side management plan in the preceding calendar year. The report must ~~shall~~ contain, ~~at a minimum,~~ a comparison of the achieved KW and KWH reductions with the established Residential and Commercial/Industrial goals, and the following information for each approved program:

(a) The name of the utility;

(b) The name of the program and program start date;

(c) The calendar year the report covers;

(d) The ~~total~~ number of customers, or other appropriate unit of measure, by customer class for each calendar year of the planning horizon;

(e) The ~~total~~ number of customers, or other appropriate unit of measure, eligible to participate in the program for each calendar year of the planning horizon;

(f) The ~~total~~ number of customers, or other appropriate unit of measure, projected to participate in the program for each calendar year of the planning horizon;

(g) The potential cumulative penetration level of the program to date calculated as the percentage of projected

participating customers to date to the total eligible customers in the class;

(h) The actual number of program participants and the current cumulative number of program participants;

(i) The actual cumulative penetration level of the program calculated as the percentage of actual cumulative participating customers to the number of eligible customers in the class;

(j) A comparison of the actual cumulative penetration level of the program to the potential cumulative penetration level of the program;

(k) A justification for any variance ~~variances greater~~ larger than 15% from ~~for~~ the annual goals established by the Commission;

(l) Using on-going measurement and evaluation results the annual KWH reduction, the winter KW reduction, and the summer KW reduction, both at the meter and the generation level, per installation and program total, based on the utility's approved measurement/evaluation plan;

(m) The per installation cost and the total program cost of the utility;

(n) The net benefits for measures installed during the reporting period, annualized over the life of the program, as calculated by the following formula:

$$\text{annual benefits} = B_{\text{npv}} \times d / [1 - (1+d)^{-n}]$$

where

B_{npv} = cumulative present value of the net benefits over the life of the program for measures installed during the reporting period.

d = discount rate (utility's after tax cost of capital).

n = life of the program.

Rulemaking Authority 350.127(2), 366.05(1), ~~366.82(1)-(4)~~ FS. Law Implemented 366.82(1)-(4) FS. History—New 4-30-93, Amended.