

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition for approval) DOCKET NO. 920566-EG
of Commercial/Industrial Program) ORDER NO. PSC-92-1022-FOF-EG
for Air-Cooled Chiller Enhance-) ISSUED: 09/21/92
ments by FLORIDA POWER AND)
LIGHT COMPANY)
_____)

The following Commissioners participated in the disposition of this matter:

THOMAS M. BEARD, Chairman
SUSAN F. CLARK
J. TERRY DEASON
BETTY EASLEY
LUIS LAUREDO

NOTICE OF PROPOSED AGENCY ACTION
ORDER GRANTING PETITION FOR APPROVAL OF COMMERCIAL/INDUSTRIAL
AIR COOLED CHILLER EFFICIENCY ENHANCEMENTS BY
FLORIDA POWER AND 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 adversely affected files a petition for a formal proceeding, pursuant to Rule 25-22.029, Florida Administrative Code.

Florida Power & Light Company (FPL) seeks approval for its Air-Cooled Chiller Efficiency Enhancement program for commercial and industrial customers (C/I) as filed with the Commission on June 2, 1992 and modified July 21, 1992.

The 1989 session of the Florida Legislature charged this Commission with implementing the Florida Energy Efficiency and Conservation Act (FEECA). Accordingly, we issued Order 22176 requiring each FEECA utility to submit a program plan to meet the general goals in Rule 25-17.001 of the Florida Administrative Code. FPL's response was its Demand Side Management Plan for the 90's which the Commission approved in Order 23560. At that time, the air-cooled chiller program was included as a program under investigation by FPL.

FPL now seeks approval to market the program for energy conservation and asks to recover costs through the Commission's Energy Conservation Cost Recovery (ECCR) Clause, Section 366.82(3)

DOCUMENT NO. 92-1022-FOF-EG

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of the Florida Statutes requires prior approval by this Commission before a utility can modify its previously approved FEECA plan.

In Order 22176, we stated that conservation programs will be judged by the following criteria: (1) whether the program advances the policy objectives set forth in Rule 25-17.001, F.A.C and the FEECA statute; (2) whether the program is directly monitorable and yields measurable results; and (3) whether the program is cost effective. FPL's air-cooled chiller program meets the three criteria.

FPL's stated objective for the air-cooled chiller program is to encourage qualified customers to install high-efficiency electric air-cooled (or water-cooled) chillers in new construction or to retrofit existing air-cooled chillers. In the C/I sector, air-cooled chillers are considered medium-sized coolers falling midway between smaller direct expansion air-conditioners and larger water-cooled chillers. FPL has requested approval of its direct expansion air-conditioning program in a separate docket (Docket 920567-EG). FPL's water-cooled chiller program has already been approved by the Commission in Order 23560 which approved FPL's Demand Side Management Plan for the 90's.

At this time, FPL defines eligible customers for the air-cooled chiller program as demand billed customers (C/I customers with greater than 20 KW demand) who have relatively inefficient electric air-cooled chillers in their facility or who anticipate constructing a new facility with high-efficiency chillers meeting qualifying criteria of efficiency. To qualify, the chillers must exceed the current standard industry average efficiency of 9.8 EER (energy efficiency ratio) by having an EER of least 10.6 or better. Water-cooled chillers in new construction will not be eligible to participate if the unit is greater than 120 tons.

To be considered for the program, FPL's C/I customers must first have a Business Energy Evaluation (BEE). This evaluation is part of FPL's C/I "Walk-Thru" Energy Survey program and is provided free of charge to C/I customers. The BEE assesses the customer's energy needs as an integrated whole in order to recommend conservation measures and practices which will achieve maximum results.

The air-cooled chiller program will offer limited technical assistance to customers during the design, bidding and construction phases of chiller retrofit or new construction. FPL will perform a final inspection of all installations prior to awarding any financial incentive to ensure the new chillers meet program requirements and to measure installed kW savings. The incentives will be based on the magnitude of the energy efficiency improvement compared to existing equipment or standard available equipment, but

will not exceed \$140/ton. To determine usage patterns and actual demand impacts, FPL will monitor sample customers during the first three years. FPL will continue to verify that the chillers meet program requirements by inspecting a representative sample of installations throughout the life of the program.

For an average installation, FPL expects the demand reduction to be 14.9 KW (summer) and 0.49 KW (winter) and the average annual energy reduction to be approximately 40 MWh. Program participation through 1997 is projected to be 609 customers producing total peak reductions of 9.1 MW (summer) and 0.3 MW (winter) and 24.3 GWh of annual energy savings. FPL estimates the average cost per installation will be \$9,300 through 1997 which includes \$5,300 in administrative costs and \$4,000 in incentives. Based on the Commission's approved cost-effectiveness methodologies, the benefit/cost ratios for the program (as revised by FPL's 7/21/92 filing) are as follows:

Total Resource Test	2.8401
Participant's Test	4.7589
Rate Impact Test	1.0979

We therefore find that FPL's C/I Air-Cooled Chiller Efficiency Enhancement program meets the criteria of Order 22176 by advancing the policy objectives set forth in Rule 25-17.001, F.A.C and the FEECA statute; being directly monitorable and yielding measurable results; and being cost-effective.

FPL shall file program participation standards within 30 days of the Commission's Order. These standards should clearly state FPL's requirements for the program in a manner which precludes program bias and assures program integrity and should include, at a minimum, specific details on the following criteria:

- (1) customer eligibility;
- (2) equipment eligibility;
- (3) technical assistance;
- (4) equipment performance verification and investment protection;
- (5) incentive credit determination and administration;
- (6) program monitoring and measurement;
- (7) reporting requirements; and include a
- (8) sample format for reporting project costs with clear separation of incentive dollars from other program dollars.

No costs incurred for this program prior to FPL having submitted and staff having approved the program standards shall be recoverable under FPL's ECCR clause.

In addition to its normal FEECA filings, FPL shall file with the Commission staff a special air-cooled chiller progress report

after the program has been fully implemented for one year. Upon reaching the implementation year milestone, FPL shall notify Commission staff of that fact and advise as to when the progress report will be available. The report should provide, at a minimum, the following information:

- (1) A narrative summary of FPL's experience with the program;
- (2) Marketing efforts including samples of media used;
- (3) Planned participation and actual results;
- (4) Revised estimates of winter and summer kW savings and annual kWh savings by year over the next 10 years with detailed explanations of how these savings were calculated;
- (5) Revised estimates of start-up and annual program costs with detailed explanations of how these costs were calculated.
- (6) Available costs and energy savings data for each energy improvement installed during the year.
- (7) Updated cost-effectiveness tests based on any revised assumptions.

Based on the foregoing, it is

ORDERED that the Petition for Approval of Commercial-Industrial Air Cooled Chiller Efficiency Enhancements by Florida Power and Light Company is GRANTED. It is further

ORDERED that this Order shall become final unless an appropriate petition for formal proceeding is received by the Division of Records and Reporting, 101 East Gaines Street, Tallahassee, Florida 32399-0870, by the close of business on the date indicated in the Notice of Further Proceedings or Judicial Review. It is further

ORDERED that FPL shall file program participation standards within 30 days of this Order. These standards shall clearly state FPL's requirements for program eligibility in a manner which precludes program bias and assures program integrity. The participation standards shall include at a minimum, specific details on the criteria set out in this Order. It is further

ORDERED that this docket shall not be closed until FPL has filed and Commission staff has reviewed and approved the program participation standards. It is further

ORDER NO. PSC-92-1022-FOF-EG
DOCKET NO. 920566-EG
PAGE 5

ORDERED that FPL shall file with the Commission staff a special air-cooled chiller progress report after the program has been fully implemented for one year. Upon reaching the implementation year milestone, FPL shall notify Commission staff of that fact and advise as to when the progress report will be available. The report shall provide, at a minimum, the information set out as required in this Order.

By ORDER of the Florida Public Service Commission this 21st day of September, 1992.



STEVE TRIBBLE, Director
Division of Records and Reporting

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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 at his office at 101 East Gaines Street, Tallahassee, Florida 32399-0870, by the close of business on October 12, 1992.

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.

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 adversely 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 sewer 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.