

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition to modify) DOCKET NO. 920713-EG
heating and cooling program and) ORDER NO. PSC-92-1317-FOF-EG
ceiling insulation program by) ISSUED: 11/13/92
TAMPA ELECTRIC COMPANY)
_____)

The following Commissioners participated in the disposition of this matter:

SUSAN F. CLARK
J. TERRY DEASON
BETTY EASLEY
LUIS LAUREDO

NOTICE OF PROPOSED AGENCY ACTION
ORDER MODIFYING HEATING AND COOLING CONSERVATION PROGRAM AND
CEILING INSULATION CONSERVATION PROGRAM OF TAMPA ELECTRIC 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.

By Petition filed July 9, 1992, Tampa Electric Company (TECO) requested approval of program modifications to the residential Heating and Cooling Program and the Ceiling Insulation Program. These conservation programs were approved in Order No. 23735, Docket No. 900104-EG. The Company proposed to modify the contractor inspection process on both the ceiling insulation program and heating and cooling program; as well as eliminating the outdoor thermostat (ODT) requirement from the Heating and Cooling program. The ODT requirement prevents a heat pump supplemental strip heating system from energizing when the outside temperature exceeds forty five degrees.

On September 11, 1992, TECO filed a "Withdrawal of Petition to Modify Heating and Cooling Program and Ceiling Insulation Program". The company asked that the docket be closed. Staff's review of the Petition and TECO's Responses to Staff's Interrogatories indicated that some modifications to these programs were appropriate.

On January 1, 1992 the National Appliance Energy Conservation Act (NAECA) became law. The NAECA required minimum appliance efficiencies for various appliances, one of which is the split

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system heat pumps and air-conditioners. In light of this change, staff recommended an increase in the SEER for split system heat pumps and straight air conditioning units qualifying for dealer and customer rebates.

Staff also recommended that the company's proposed modifications to the inspection processes for these programs should be approved.

At the agenda conference on October 20, 1992, the company indicated its agreement with staff's proposed modifications and withdrew its request to close the docket without action. TECO asked that the effective date of the proposed modifications be changed to March 1, 1993 and that the customer rebate amount be increased by one hundred dollars to three hundred fifty dollars per installation.

TECO originally petitioned the Commission to implement a Heating and Cooling Program through Docket No. 800701-EG-D. The Company's program objective pursuant to the FEECA goals is to reduce the rate of growth in peak demand (particularly winter) and energy in its service area by increasing the saturation of high efficiency heat pumps and/or central air-conditioners (without oil or resistance heat). The company currently pays a rebate of \$250 to the customer and \$75 to the dealer for qualifying equipment.

The Commission has previously approved increases in the Seasonal Energy Efficiency Ratios for heating and air-conditioning equipment on three separate occasions to bring the qualifying equipment in line with the market driven advances in efficiencies. The most recent program modification occurred approximately two years ago in Docket 900104-EG where the minimum efficiency levels for all heat pumps and air-conditioners was set at 10.0 SEER. Since that time, the NAECA became law on January 1, 1992 requiring a minimum 10.0 SEER for split system heat pumps and straight air-conditioners. On January 1, 1993 the NAECA will require single package heat pumps and air-conditioners to have a SEER of 9.7. TECO is currently paying rebates for split system heat pumps and air-conditioners which are the minimum efficiency (10.0 SEER) allowed by the DOE.

Staff proposes the following minimum efficiencies for heat pumps and air-conditioners to increase TECO's efficiency levels commensurate with the increased market driven efficiencies ranging from 10.0 to 16.0 SEER.

<u>SYSTEM TYPES</u>	<u>TECO</u> <u>EXISTING</u>	<u>NAECA</u> <u>MINIMUM</u>	<u>STAFF</u> <u>LEVEL</u>
Split Systems			
Heat Pumps	10.0	10.0	11.0
Air-Conditioners	10.0	10.0	11.0
Package Systems			
Heat Pumps	10.0	9.7	10.0
Air-Conditioners	10.0	9.7	10.0

Single package heat pumps and air-conditioners differ from split system models in that both the evaporator coil/air handler and condenser/compressor components are housed in a single enclosure installed outside of the home, typically in mobile homes. A split system has separate enclosures for both the air handler which is typically installed in the attic or closet and the outdoor compressor unit.

We find that TECO's existing 10.0 SEER for split system heat pumps and air-conditioners is not the appropriate efficiency level to pay rebates to participating customers and dealers for qualifying equipment. We approve staff's recommendation to increase the efficiency level to 11.0 SEER for split system heat pumps and air-conditioners. This change shall be effective March 1, 1993 to allow a phase in period for participating dealers. The proposed level exceeds the National Appliance Energy Conservation Act (NAECA) minimum efficiency level of 10.0 SEER for split systems, it is reasonable and will aid the market in moving toward high efficiency equipment reducing demand and energy. No change to the single package heat pumps or air-conditioners is appropriate. TECO's 10.0 SEER standard exceeds the NAECA requirement of 9.7 SEER effective January 1 1993 and the availability of high efficiency single package units is limited.

We approve TECO's proposed modification of the inspection process for the Heating and Cooling Program and the Ceiling Insulation Program.

TECO's existing inspection process for the Heating and Cooling Program includes a full field inspection of both the indoor air handler and outdoor compressor unit for compliance with the program efficiency levels required for dealer and customer rebates. In its petition, the company requested to change the inspection process. The company will complete a full inspection of the first five installation jobs submitted by each Heating Ventilation Air Conditioner (HVAC) contractor. After the first five full inspections are completed, TECO will perform full inspections on a randomly selected 10% of the jobs thereafter submitted by the contractor. The remaining 90% will have a field inspection of the

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outdoor unit to verify program qualification. If a job fails inspection, TECO will complete a full inspection on the next five jobs submitted from the failing contractor. Assuming those next five inspections pass, the Company will resume the 10%/90% full/field inspection ratio.

TECO's existing inspection process for the Ceiling Insulation program includes a field inspection of each installation. The proposed inspection process is similar to the methodology proposed for the Heating and Cooling Program as described above. The Company will also require the participating contractor to specify the number of bags necessary to reach the desired R-value of ceiling insulation when submitting their bid. The customer will be asked to sign the Ceiling Insulation Incentive Certificate at the time of installation verifying that the contractor installed the correct number of bags of insulation. Through the use of random full inspections, customer verifications of installed bag counts matching the bid bag count, and office reviews of all submitted certificates, failures will be virtually eliminated. The primary reason for current failures is improper insulation depth due to an incorrect number of bags being installed.

The Company will complete a full inspection of all owner installed Heating and Cooling jobs and all Ceiling Insulation jobs. TECO estimates conservation program savings of \$22 per avoided inspection for the Heating and Cooling Program and \$18 per avoided inspection for the Ceiling Insulation Program resulting from the revised inspection process.

We approve the proposed inspection processes, as the results of these programs are monitorable, they contribute to the FEECA goals of reducing peak demand and energy consumption and are cost-effective.

Based on the foregoing, it is

ORDERED that the minimum efficiency rating for Split System Heat Pumps and Air Conditioners to be eligible for rebates through Tampa Electric Company's Heating and Cooling conservation program shall be 11.0 SEER. It is further

ORDERED that the maximum customer rebate applicable to such installations shall be increased to three hundred and fifty dollars. It is further

ORDERED that TECO's proposed modification of the inspection processes for the Heating and Cooling Program and the Ceiling Insulation Program is approved. It is further

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ORDERED that the modifications to the rebate amount and minimum energy efficiency rating shall be effective on March 1, 1993. It is further

ORDERED that this Order shall become final and this docket shall be closed 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.

By ORDER of the Florida Public Service Commission this 13th day of November, 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 December 4, 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.