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October 2, 1998

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Blanca S. Bayó, Director
Division of Records and Reporting
Florida Public Service Commission
2540 Shumard Oak Boulevard, Room 110
Tallahassee, Florida 32399-0850

981255-EI

**Re: Petition for Extension of FPL's
Conservation Research and Development Program**

Dear Ms. Bayó:

Enclosed for filing on behalf of Florida Power & Light Company are the original and fifteen (15) copies of Petition for Extension of Florida Power & Light Company's Conservation Research and Development Program. Also enclosed is an additional copy of the Petition which we request that you stamp and return to our runner.

If you or your Staff have any questions regarding this filing, please contact me at 222-2300

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Very truly yours,


Charles A. Guyton

CAG/d
Enclosures

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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

**In re: Petition of Florida Power & Light
Company For Extension of Conservation
Research and Development Program**)
)
)

Docket No.
Filed: October 2, 1998

**PETITION FOR EXTENSION OF
FLORIDA POWER & LIGHT COMPANY'S
CONSERVATION RESEARCH AND DEVELOPMENT PROGRAM**

Florida Power & Light Company ("FPL"), pursuant to Section 366.82(2), Florida Statutes (1997) and Florida Administrative Code Rule 28-106.301, hereby petitions the Florida Public Service Commission ("Commission") to extend FPL's Conservation Research and Development ("CRD") Program through approval of FPL's next Demand Side Management ("DSM") plan and to allow FPL to recover during the extension reasonable and prudent expenditures for CRD Program administration through FPL's Energy Conservation Cost Recovery ("ECCR") Clause, subject to the previously approved expenditure cap of \$ 3,600,000. The grounds for this Petition are:

1. The name and the address of the affected agency are:

**Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850**

2. FPL is an investor-owned electric utility regulated by the Commission pursuant to Chapter 366, Florida Statutes. FPL is subject to the Florida Energy Efficiency Conservation Act ("FEECA"), Section 366.80-85, 403.519, Florida Statutes (1997), and its ECCR Clause is subject to the Commission's jurisdiction. FPL is substantially affected thereby.

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3. **FPL's address is 9250 West Flagler Street, Miami, FL 33174. Correspondence, notices, orders and other documents concerning this Petition should be sent to:**

**Charles A. Guyton
Steel Hector & Davis LLP
Suite 601
215 S. Monroe St.
Tallahassee, FL 32301
(850) 222-2300**

**William G. Walker, III
Vice President, Regulatory Affairs
Florida Power & Light Company
9250 W. Flagler Street
Miami, FL 33174
(305) 552-4981**

4. **In the final order in Docket No. 930548-EG, the order establishing FPL's conservation goals for the period 1994 through 2003, the Commission established conservation goals for FPL through the year 2003 which were approximately 300 MW in excess of the level of DSM FPL had found to be reasonably achievable. In establishing these aggressive goals, the Commission discussed the possibility of FPL research and development efforts yielding some of the additional MW needed for FPL to achieve its goals:**

FPL witness Hugues indicated that there is a very good possibility that due to changes in technology, FPL's R&D program might be able to achieve the additional 130 MW of DSM-RIM necessary to defer the 2002 need. (Tr. 620, 4499) FPL's R&D program may result in approved programs producing the additional capacity savings in much the same manner as the 1990 DSM Plan produced an additional 342 MW. (Tr. 619-20) The current R&D program is evaluating approximately seven C/I programs and four residential programs. (Tr. 620) ... It is possible that FPL might exceed its proposed goal, considering its prior history of exceeding internal DSM goals, and the potential contributions from R&D programs and green pricing options.

Order No. PSC-94-1313-FOF-EG, at 32-33.

5. **Consistent with the Commission's expectation that FPL would need to develop additional DSM measures through research and development efforts, FPL petitioned in January 1995 seeking approval of a Demand Side Management Plan which included modifications to FPL's CRD**

Program. In Order No. PSC-95-0691-FOF-EG, the Commission approved FPL's DSM Plan and the modified CRD Program. As currently approved, the CRD Program runs through December 1998 and expenditures are capped at \$3,600,000.

6. FPL seeks an extension of the CRD Program beyond December 1998 until a new FPL DSM plan is approved, but FPL does not seek to increase the \$3,600,000 expenditure cap for the CRD Program. FPL is currently involved in a proceeding to establish new conservation goals, Docket No.971004-EG. That case is scheduled for a final order in early August 1999. Under the Commission Rule 25-17.0021(4), Florida Administrative Code, utilities will have ninety days from the final goals order to file new demand side management plans to meet the goals. Assuming utilities file new DSM plans by November 1999, the new plans should be in effect by mid 2000. FPL anticipates that it can continue its CRD Program through mid 2000, when its new DSM plan is likely to be finalized, without exceeding the current expenditure cap of \$3,600,000. FPL prefers an extension until the date a new DSM plan becomes effective rather than an extension until a date certain, because an extension to a date certain might cause FPL to have to seek another extension and incur the associated costs.

7. The CRD Program was first proposed and approved in 1990 as part of FPL's DSM Plan for the 90s. Order No. 23560. Since then the Commission has approved modifications to the CRD Program in four separate orders.¹ In each order, the Commission has found that the CRD Program meets the Commission's criteria for program approval and cost recovery. In the last Commission order specifically addressing the CRD Program, the Commission had this to say in characterizing the CRD Program and assessing its value:

¹ Order No. PSC-92-1115-FOF-EG; Order No. PSC-93-1018-FOF-EG; Order No. PSC-95-0537-FOF-EG; Order No. PSC-95-0691-FOF-EG.

The CRD is an umbrella program for research and development evaluating a wide variety of potentially promising demand side measures for possible future program development and approval through the ECCR clause. FPL states and we agree that the CRD Program has worked well and is serving its customers by providing a vehicle for the Company to stay abreast of emerging conservation technologies and taking cost-effective technologies and developing them into DSM programs. Many of FPL's existing conservation programs were developed through the CRD Program, and numerous technologies are presently under consideration.

Order No. PSC-95-0691-FOF-EG at 2. The Commission's observations remain true today.

8. FPL desires to extend the CRD Program and continue its technology assessments and program development activities. The CRD Program is an essential part of a vigorous FPL DSM effort.

9. An extension of the CRD program will help achieve the goals of FEECA and Commission Rule 25-17.001, Florida Administrative Code. One of the expressed intents of the Commission's rules implementing FEECA is to foster research and development.

10. One of the primary purposes of the CRD Program has been and will continue to be to determine the reliable assumptions necessary to measure the cost-effectiveness of promising technologies. An extension of the CRD Program will allow the collection of the data necessary to measure the cost-effectiveness of promising DSM technologies.

13. The CRD Program continues to be directly monitorable and yield measurable results. In addition to the various FPL DSM Programs that were developed using the CRD Program, FPL regularly provides detailed reporting on the CRD Program in both its ECCR true-up and projection filings.

14. FPL is not aware of any disputed issues of material facts. This petition is not in response to a prior agency decision, so the petitioner cannot state when and how it "received notice

of the agency decision." The extension of CRD Program until FPL's new DSM plan is approved should be approved, and FPL should be authorized to recover through its ECCR clause its reasonable and prudent expenditures for the CRD Program, subject to the \$3,600,000 limit previously authorized by the Commission. FPL is entitled to relief under Section 366.82(2), Florida Statutes (1997).

WHEREFORE, FPL respectfully petitions the Commission to approve an extension of FPL's CRD Program until FPL's new DSM Plan is approved and allow FPL to recover its reasonable and prudent CRD Program expenditures through FPL's ECCR clause, subject to the previously approved expenditure cap of \$3,600,000.

Respectfully submitted,

STEEL HECTOR & DAVIS LLP
215 S. Monroe St., Suite 601
Tallahassee, Florida 32301-1804

Attorneys for Florida Power
& Light Company

By: 
Charles A. Guyton

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the Petition For Extension Of Florida Power & Light Company's Conservation Research and Development Program was mailed this 2nd day of October, 1998 to the following:

Jack Shreve, Esquire
Office of Public Counsel
111 West Madison Street
Room 812
Tallahassee, FL 32399-1400



Charles A. Guyton

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