



Public Service Commission

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RECORDS AND REPORTING

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RECEIVED-FPSC

DATE: AUGUST 19, 1999

TO: DIRECTOR, DIVISION OF RECORDS AND REPORTING (BAYÓ)

FROM: DIVISION OF ELECTRIC AND GAS (COLSON) *RCV*
DIVISION OF LEGAL SERVICES (KEATING) *WCL RUE JDS*

RE: DOCKET NO. 990733-EI - PETITION FOR EXTENSION OF COMMERCIAL/INDUSTRIAL NEW CONSTRUCTION RESEARCH PROJECT BY FLORIDA POWER & LIGHT COMPANY.

AGENDA: 8/31 /1999 - REGULAR AGENDA - PROPOSED AGENCY ACTION - INTERESTED PERSONS MAY PARTICIPATE

CRITICAL DATES: NONE

SPECIAL INSTRUCTIONS: NONE

FILE NAME AND LOCATION: S:\PSC\EAG\WP\990733.RCM

CASE BACKGROUND

On October 4, 1996, Florida Power & Light (FPL) filed a petition requesting approval of a proposed Commercial/Industrial (C/I) New Construction Research Project as part of FPL's Demand Side Management Plan. FPL anticipated that the site selection, equipment installation, monitoring, and analysis of the proposed research project would take approximately 22 to 30 months at a projected cost of \$1,525,000. The Commission approved FPL's C/I New Construction Research Project, including conservation cost recovery, in Order No. PSC-97-0091-FOF-EI, issued January 27, 1997. The Order stated that "If FPL becomes aware that the program is no longer cost-effective, FPL shall terminate the program." Under the approved schedule the research project would last for no longer than 30 months from the date of approval. Therefore, the project was scheduled to end in August 1999.

On June 8, 1999, FPL filed its petition for an extension of the C/I New Construction Research Project through December 2000,

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without any change to the approved expenditure cap of \$1,525,000.

DISCUSSION OF ISSUES

ISSUE 1: Should the Commission grant Florida Power & Light's (FPL) Petition for Extension of its Commercial/Industrial (C/I) New Construction Research Project?

RECOMMENDATION: Yes. FPL's Petition for extension is reasonable and should be granted. The extension through the end of December 2000 would extend the project 16 months. The previous approved cap of \$1,525,000 would remain unchanged. (L. COLSON)

STAFF ANALYSIS: The objectives of the C/I New Construction Research Project are to identify conservation opportunities in new construction which would provide cost-effective efficiencies beyond that required by the Florida Energy Efficiency Code and to evaluate the impacts of those potential measures. The Project also provides an opportunity to interest architectural and engineering consultants, building owners and managers, manufacturers, and contractors in the potential of a new construction program.

FPL stated that they had envisioned that the C/I New Construction Research Project would take approximately 30 months. However, according to FPL, they encountered delays in the Project due to the selection of the contractor to perform the work and the negotiation of a contract that would allow FPL to terminate the Project at any point FPL determined that the Project was not cost effective.

FPL is requesting an extension of the original schedule, which is due to end in August 1999. FPL also requests that the expenditure cap of \$1,525,000 remain the same as that approved in Order No. PSC-97-0091-FOF-EI. FPL has indicated that total expenditures through June 1999 for the C/I New Construction Research Project are \$258,402.

Therefore, staff recommends that the Commission approve FPL's request to extend its C/I New Construction Research Project through December 2000 and also approve the continued conservation cost recovery of reasonable and prudent expenditures for the Project of not more than \$1,525,000.

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ISSUE 2: Should this docket be closed?

RECOMMENDATION: A consummating order should be issued, and this docket should be closed if no person whose substantial interests are affected by the proposed action files a protest within the twenty-one-day protest period. (C. KEATING)

STAFF ANALYSIS: At the conclusion of the protest period, if no protest is filed, a consummating order should be issued and this docket should be closed.