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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Commission review of numeric conservation goals for Gulf Power Company.

DOCKET NO. 080410-EG

**FLORIDA SOLAR COALITION'S PREHEARING STATEMENT**

Florida Solar Coalition (FSC), pursuant to Order No. PSC-08-0816-PCO-EG, files its Prehearing Statement and states as follows:

**A. Appearances:**

SUZANNE BROWNLESS, Esq., Suzanne Brownless, PA, 1975 Buford Blvd., Tallahassee, Florida 32308.

**B. Witnesses:**

None.

**C. Exhibits:**

FSC has not prefiled any exhibits. However, FSC reserves the right to introduce exhibits into the record during cross-examination.

**D. Statement of Basic Position:**

Gulf Power Company (Gulf Power) has understated the amount of cost-effective achievable energy efficiency potential in its service area due to several factors: too low market penetration projections, incorrect optimization methodologies, use of RIM to determine cost-effectiveness and elimination of technologies with a two-year payback period. The transitional goals proposed by Staff witness Spellman correct these errors and bring the proposed goals for Gulf Power in line with those of other states with a *de minimis* rate impact.

Gulf Power has completely eliminated all solar thermal and PV technologies from consideration contrary to the requirements of §366.82, Fla. Stat. The Commission should require each FEECA IOU to establish demand-side renewable programs focusing on solar water heating and solar photovoltaic (PV) systems for both residential and commercial customer classes. In order to encourage these solar technologies, the Commission should authorize recovery of 1% of each of the FEECA IOU's annual retail sales revenue for the year ending 2008 per year for the next five years. These funds should be used as one-time rebates to customers installing PV and solar thermal demand side energy systems structured similarly to the programs currently offered by the Florida Energy and Climate Commission (FECC). However, the Commission should expand the FECC's program to include PV systems larger than 50 kW and use a performance-based incentive program design for those systems.

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**E. Statement of Issues and Positions:**

**ISSUE 1:** Did the Company provide an adequate assessment of the full technical potential of all available demand-side and supply-side conservation and efficiency measures, including demand-side renewable energy systems, pursuant to Section 366.82(3), F.S.?

**POSITION:** No.

**ISSUE 2:** Did the Company provide an adequate assessment of the achievable potential of all available demand-side and supply-side conservation and efficiency measures, including demand-side renewable energy systems?

**POSITION:** No.

**ISSUE 3:** Do the Company's proposed goals adequately reflect the costs and benefits to customers participating in the measure, pursuant to Section 366.82(3)(a), F.S.?

**POSITION:** No.

**ISSUE 4:** Do the Company's proposed goals adequately reflect the costs and benefits to the general body of ratepayers as a whole, including utility incentives and participant contributions, pursuant to Section 366.82(3)(b), F.S.?

**POSITION:** No.

**ISSUE 5:** Do the Company's proposed goals adequately reflect the costs imposed by state and federal regulations on the emission of greenhouse gases, pursuant to Section 366.82(3)(d), F.S.?

**POSITION:** No position at this time.

**ISSUE 6:** Should the Commission establish incentives to promote both customer-owned and utility-owned energy efficiency and demand-side renewable energy systems?

**POSITION:** Yes.

**ISSUE 7:** What cost-effectiveness test or tests should the Commission use to set goals, pursuant to Section 366.82, F.S.?

**POSITION:** The Commission should use the Total Resource Cost (TRC) test, adjusted to include the avoided cost of greenhouse gas (GHG) emissions, and the Participant test as proposed in Staff witness Spellman's testimony.

**ISSUE 8:** What residential summer and winter megawatt (MW) and annual Gigawatt-hour (GWh) goals should be established for the period 2010-2019?

PROPOSED RESIDENTIAL CONSERVATION GOALS										
Year	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Summer MW										
Winter MW										
Annual GWh										

**POSITION:** FSC supports the methodology and transitional goals developed by Richard Spellman on behalf of the PSC Staff as stated in Exhibit RFS-20.

**ISSUE 9:** What commercial/industrial summer and winter megawatt (MW) and annual Gigawatt hour (GWh) goals should be established for the period 2010-2019?

PROPOSED COMMERCIAL CONSERVATION GOALS										
Year	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Summer MW										
Winter MW										
Annual GWh										

**POSITION:** FSC supports the methodology and transitional goals developed by Richard Spellman on behalf of the PSC Staff, as stated in his Exhibit RFS-20.

**ISSUE 10:** In addition to the MW and GWh goals established in Issues 8 and 9, should the Commission establish separate goals for demand-side renewable energy systems?

**POSITION:** Consistent with the approach taken by the public utility regulators in other states, the Commission should require each FEECA IOU to establish demand-side renewable

programs focusing on solar water heating and solar photovoltaic (PV) systems for both residential and commercial customer classes. In order to encourage these solar technologies, the Commission should authorize recovery of 1% of each FEECA IOU's retail sales revenue for the year ending 2008 per year for the next five years. This would amount to approximately \$10.8M per year for Gulf Power Company. These funds should be used as one-time rebates to customers installing PV and solar thermal demand side energy systems structured similarly to the programs currently offered by the Florida Energy and Climate Commission (FECC). FSC suggests that the rebate amount for residential and commercial PV systems be \$2/watt up to 50kW. The Commission should expand the FECC's program to include PV systems larger than 50 kW and use a performance-based incentive program design for those systems. This would ensure growth throughout all market segments. FSC further recommends that incentive levels be reduced during the five year transition period to reflect PV system price declines and market growth.

ISSUE 11: In addition to the MW and GWh goals established in Issues 8 and 9, should the Commission establish additional goals for efficiency improvements in generation, transmission, and distribution?

POSITION: Not at this time. Goals should be established for efficiency improvements in generation, transmission and distribution in a separate proceeding after the FEECA IOUs have had an opportunity to perform a technical potential study of these types of technologies.

ISSUE 12: In addition to the MW and GWh goals established in Issues 8 and 9, should the Commission establish separate goals for residential and commercial/industrial customer participation in utility energy audit programs for the period 2010-2019?

POSITION: No. Section 366.82(11), Fla. Stat., requires that all FEECA IOUs offer energy audits to its residential customers with audit costs recovered through the ECCR. While necessary to inform the public about energy efficiency and demand side savings measures available, the energy audit does not, in and of itself, generate any energy savings. The programs installed as a result of the energy audit produce the energy savings and the energy saved will be credited toward the programs actually installed by the customer.

ISSUE 13: Should this docket be closed?

POSITION: No position at this time.

#### ADDITIONAL ISSUES

ISSUE 14: What action(s), if any should the Commission take in this proceeding to encourage the efficient use of cogeneration? (FIPUG)

POSITION: No position at this time.

ISSUE 15: In setting DSM goals, what consideration should the Commission give to their impact on rates? (OUC)

POSITION: The Commission should consider the rate impact of DSM goals as one of many factors in setting goals. Rate impact should not be the sole controlling factor in setting DSM goals.

ISSUE 16: Since the Commission has no rate setting authority over OUC and JEA, can the Commission establish goals that put upward pressure on their rates? (OUC)

POSITION: Yes. Sections 366.82(1) and (2), Fla. Stat., specifically authorize the Commission to set conservation goals for municipal utilities with annual sales of 2,000 GWh. The cost associated with implementation of DSM goals is just one component in establishing any utility's revenue requirements from which its rates are derived. Thus, there is no direct correlation between DSM goals and rates.

**F. Stipulated Issues:**

None at this time.

**G. Pending Motions**

None at this time.

**H. Pending Confidentiality Requests:**

None at this time.

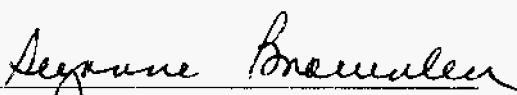
**I. Objections to Witnesses' Qualifications:**

None at this time.

**J. Requirements that cannot be complied with:**

FSC is not aware of any requirements with which it cannot comply at this time.

Respectfully submitted this 27th day of July, 2009 by:

  
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**CERTIFICATE OF SERVICE**

**I HEREBY CERTIFY** that a true and correct copy of the foregoing has been provided by U.S. Mail and electronic mail to Steven R. Griffin, Esq., Beggs & Lane, 501 Commendencia Street, Pensacola, Florida 32502 ([srg@beggs-lane.com](mailto:srg@beggs-lane.com)), and to the following parties of record by U.S. Mail on this 27<sup>th</sup> day of July, 2009:

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