

BEFORE THE  
FLORIDA PUBLIC SERVICE COMMISSION

In the Matter of:

COMMISSION REVIEW OF NUMERIC DOCKET NO. 080407-EG  
CONSERVATION GOALS (FLORIDA  
POWER & LIGHT COMPANY).

COMMISSION REVIEW OF NUMERIC DOCKET NO. 080408-EG  
CONSERVATION GOALS (PROGRESS  
ENERGY FLORIDA, INC.)

COMMISSION REVIEW OF NUMERIC DOCKET NO. 080409-EG  
CONSERVATION GOALS (TAMPA  
ELECTRIC COMPANY).

COMMISSION REVIEW OF NUMERIC DOCKET NO. 080410-EG  
CONSERVATION GOALS (GULF  
POWER COMPANY).

COMMISSION REVIEW OF NUMERIC DOCKET NO. 080411-EG  
CONSERVATION GOALS (FLORIDA  
PUBLIC UTILITIES COMPANY).

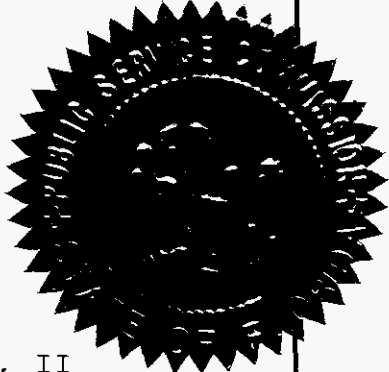
COMMISSION REVIEW OF NUMERIC DOCKET NO. 080412-EG  
CONSERVATION GOALS (ORLANDO  
UTILITIES COMMISSION).

COMMISSION REVIEW OF NUMERIC DOCKET NO. 080413-EG  
CONSERVATION GOALS (JEA).

PROCEEDINGS: AGENDA CONFERENCE  
ITEM NO. 12

COMMISSIONERS  
PARTICIPATING: CHAIRMAN MATTHEW M. CARTER, II  
COMMISSIONER LISA POLAK EDGAR  
COMMISSIONER NANCY ARGENZIANO  
COMMISSIONER NATHAN A. SKOP  
COMMISSIONER DAVID E. KLEMENT

DATE: Tuesday, December 1, 2009



DOCUMENT NUMBER-DATE

11777 DEC-78

FLORIDA PUBLIC SERVICE COMMISSION

FPSC-COMMISSION CLERK

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

PLACE: Betty Easley Conference Center  
Room 148  
4075 Esplanade Way  
Tallahassee, Florida

REPORTED BY: JANE FAUROT, RPR  
LINDA BOLES, RPR, CRR  
Official FPSC Reporter  
(850) 413-6732

## P R O C E E D I N G S

1  
2           **CHAIRMAN CARTER:** Now we move to Item 12.  
3           Staff, you're recognized.

4           **MR. BALLINGER:** Good morning,  
5           Commissioners. Tom Ballinger with Commission staff.

6           At the November 10th Agenda Conference,  
7           the Commission directed staff to develop alternative  
8           DSM goals for each utility that are more robust than  
9           what each utility proposed. Staff has reviewed the  
10          record in this proceeding and has provided a  
11          supplemental recommendation which proposes a  
12          rationale for selecting more aggressive DSM goals  
13          for each FEECA utility.

14          Attachment 1 of the supplemental  
15          recommendation, which starts on Page 8, contains the  
16          full range of options available to the Commission.  
17          The goals proposed by each utility rely upon the  
18          E-RIM test. Based on the Commission's directives,  
19          staff would recommend that the Commission approve  
20          goals based on the unconstrained E-TRC test for FPL,  
21          PEF, TECO, Gulf, and FPUC. OUC and JEA propose goal  
22          at zero, yet committed to continue their current DSM  
23          program offerings. Staff's recommendation is to set  
24          goals for OUC and JEA based on their current  
25          programs so as not to unduly increase rates.

1           Consistent with the Commission's directive  
2 at the November 10th agenda conference, such a  
3 methodology results in goals that are above what  
4 each utility proposed for each category, summer  
5 demand, winter demand, and annual energy savings.

6           If the Commission desires to include  
7 additional measures that have a quick payback to  
8 customers, staff will propose two options. The  
9 first option would be to include only the  
10 residential measures that have a quick payback, such  
11 as compact fluorescent lighting and proper  
12 refrigerant charging for AC systems. Such an option  
13 would be consistent with Witness Spellman's  
14 recommendation and would mitigate some cost  
15 shifting. The second option would be to include the  
16 total top ten list of residential and  
17 commercial/industrial measures which are included in  
18 Attachment 1 below each utility.

19           We have a few housekeeping measures to do  
20 here. First is an oral modification. It's actually  
21 to the original -- there's two modifications, one to  
22 the original recommendation that you heard on  
23 November 10th and one to the supplemental. The  
24 first one is on the original recommendation on Page  
25 15, it's the chart there, and there was just some

1 mislabeling of the utilities. FPUC, JEA, and OUC  
2 got switched around a little bit in the original  
3 one. It should be strike FPUC and insert JEA,  
4 strike JEA and insert OUC, and strike OUC and insert  
5 FPUC.

6 And if you're ready, I'll move on to the  
7 other oral modification, which is in the supplement.

8 **CHAIRMAN CARTER:** Commissioner Argenziano.

9 **COMMISSIONER ARGENZIANO:** Where is JEA?

10 **MR. BALLINGER:** JEA should be the fifth  
11 utility down. Strike FPUC and insert JEA.

12 **CHAIRMAN CARTER:** Thank you. You may  
13 proceed, staff.

14 **MR. BALLINGER:** Okay. On the supplemental  
15 recommendation on Page 17, the chart was missing a  
16 heading. It got cut off when we stuck an Excel  
17 spreadsheet, I think, at the end. It should read  
18 proposed residential conservation goals for FPL at  
19 the very top on Page 17. Does everybody have that?

20 **CHAIRMAN CARTER:** Got it.

21 **MR. BALLINGER:** Okay. Yesterday afternoon  
22 I got a request from Commissioner Argenziano's staff  
23 for some additional information, which I handed out  
24 to all of your offices this morning. It consists of  
25 a colored chart for each utility of the proposed

1 goals much like we talked about at November 10th,  
2 but it also includes staff's supplemental  
3 recommendation and our original recommendation back  
4 on the 15th, which is the -- I guess it's the pink  
5 bar at the far right of all these colors. I know it  
6 is a lot of data on here, but the request was to put  
7 everything together on one comparative sheet.

8 This is for each utility, and then the  
9 final page of this is a calculation I was requested  
10 to do to show the proposal as a percentage of growth  
11 over the next ten years. And what I did is the four  
12 large IOUs had some schedules from the Ten-Year Site  
13 Plans in the record, which that gave me the growth  
14 number, which is the energy number you see in Column  
15 2, and then you see staff's original recommendation,  
16 staff's supplemental recommendation, which is dated  
17 11/20, the Florida Solar Coalition and the NRDC.  
18 And I just took their energy goals at the end of the  
19 ten-year period and expressed it both as an energy  
20 goal and as a percent of the growth over the ten  
21 years that each utility is expecting.

22 **CHAIRMAN CARTER:** Commissioner Argenziano.

23 **COMMISSIONER ARGENZIANO:** Does that  
24 reflect all of the options? Does that include all  
25 of the options?

1           **MR. BALLINGER:** No, I did not include the  
2 top ten ones. I mean, I can do that. It would fall  
3 in between those, between the staff 11/20 probably  
4 and the -- but I can do that pretty quickly. I left  
5 my calculator upstairs.

6           **COMMISSIONER ARGENZIANO:** Do we have a  
7 calculator?

8           **CHAIRMAN CARTER:** There we go.

9           **COMMISSIONER ARGENZIANO:** Thank you.

10          **CHAIRMAN CARTER:** Always have a ram in the  
11 bush.

12          **MR. BALLINGER:** I'm an engineer and I  
13 don't carry a calculator. I don't know what's wrong  
14 with that.

15          **CHAIRMAN CARTER:** You're part of the  
16 pocket protector brigade.

17          **MR. BALLINGER:** Actually, I might ask one  
18 of the technical staff back here to start scribbling  
19 it as we go through our discussions, if that would  
20 be okay.

21          **CHAIRMAN CARTER:** That would be fine.  
22 That would be fine.

23          **MR. BALLINGER:** But, Commissioner  
24 Argenziano, I understand you want to have the top  
25 ten plus residential and the top ten total? Okay.

1 Give me one second, please.

2 **CHAIRMAN CARTER:** Absolutely. Just take a  
3 break in place, Commissioners, and give staff an  
4 opportunity to get that information.

5 (Pause.)

6 **MR. BALLINGER:** Okay. We're working on  
7 that.

8 **CHAIRMAN CARTER:** Okay. Mr. Ballinger,  
9 you're recognized.

10 **MR. BALLINGER:** The final suggestion would  
11 be that if the Commission decides to adopt this  
12 supplemental recommendation in whole or in part that  
13 the Commission should vote on Issues 9, 10, and 15  
14 of the original recommendation before addressing  
15 other issues. Because depending on your vote on the  
16 goals, it may change how you need to vote on the  
17 other issues in the total recommendation. And with  
18 that, staff is available for questions.

19 **CHAIRMAN CARTER:** Tom, give us a heads-up  
20 when we get to the point of actually voting or  
21 anything like that, give us a heads-up so we'll know  
22 to take those issues up first in order to move  
23 forward with the changes.

24 **MR. BALLINGER:** Correct. Like I said, I  
25 would suggest, if you want to vote on goals, do



1 Issues 9, 10, and 15. Maybe take a quick break,  
2 staff can gather together, and figure out what you  
3 would need to vote on Issues 1, 2, 3, and 4 to be  
4 consistent with your votes on the goals.

5 **CHAIRMAN CARTER:** Okay. That would be  
6 fine. Commissioners, everybody comfortable with  
7 that?

8 Commissioner Argenziano.

9 **COMMISSIONER ARGENZIANO:** I need to gather  
10 my thoughts, because some of the information that  
11 was given to me was given early this morning and --

12 **CHAIRMAN CARTER:** Okay. Not a problem.  
13 Commissioner Skop, you're recognized, sir.

14 **COMMISSIONER SKOP:** Thank you.

15 I just want to make sure that on those  
16 issues, again, I'm trying to page through a document  
17 that's stapled together, unfortunately.

18 **CHAIRMAN CARTER:** Those are tough staples.  
19 I almost stabbed myself this morning.

20 **COMMISSIONER SKOP:** Just give me a moment.

21 **CHAIRMAN CARTER:** Okay, take a moment.

22 Commissioners, any further questions at this time?

23 **COMMISSIONER ARGENZIANO:** Yes, I have one.

24 **CHAIRMAN CARTER:** Okay. Commissioner  
25 Argenziano, you're recognized.

1           **COMMISSIONER ARGENZIANO:** It's kind of a  
2 different question, but since JEA is a municipal, do  
3 they have to do anything we ask them to do or is  
4 this voluntary?

5           **MR. BALLINGER:** No, JEA and OUC do fall  
6 under the FEECA statutes because of their sales  
7 threshold, so we are required to set goals for them.

8           **COMMISSIONER ARGENZIANO:** And do they have  
9 to abide by those goals? Since we don't regulate  
10 them, I would like to know.

11          **MR. BALLINGER:** The stick, if you will, of  
12 penalties, which is in there for IOUs, does not  
13 apply to municipal utilities. So if they don't meet  
14 their goals, I don't know what we can do.

15          **COMMISSIONER ARGENZIANO:** Because we don't  
16 regulate them.

17          **MR. BALLINGER:** Correct.

18          **COMMISSIONER ARGENZIANO:** Thank you.

19          **CHAIRMAN CARTER:** Commissioner Skop.

20          **COMMISSIONER SKOP:** If staff could repeat  
21 the issues that we would need to vote on as a  
22 preliminary matter.

23          **MR. BALLINGER:** Katherine will do that.

24          **CHAIRMAN CARTER:** Ms. Fleming, good  
25 morning.

1           **MS. FLEMING:** Good morning, Commissioners.  
2 Katherine Fleming on behalf of legal staff.

3           Looking at the issues, once the  
4 Commissioners vote on the proposed goals, which are  
5 Issues 9 and 10, looking at the statute under  
6 366.82, Subsection 3 states what the Commission  
7 shall take into consideration in establishing goals,  
8 and staff would suggest that Issues 1 through 8  
9 should be voted on by the Commission. Issues 1  
10 through 8 are specifically contemplated within the  
11 statute. We think that those issues would form the  
12 basis for the Commission in establishing its goals.  
13 We think it would make a clearer record for purposes  
14 of the order to vote on Issues 1 through 8.

15           In addition, Issues 12 and 13, and if I  
16 could just take one at a time. Issue 12, the  
17 specific statute that relates to that is 366.82,  
18 Subsection 2, and it states that the Commission may  
19 allow efficiency investments across generation,  
20 transmission, and distribution, as well as  
21 efficiencies within the user base. The statute does  
22 say may. We believe that the Commission does have  
23 discretion whether to vote on this issue if the  
24 Commission chooses to do so.

25           With respect to Issue 13, this is asking

1 specifically to establish separate goals for energy  
2 audit programs. There's no specific requirement in  
3 Section 366.82 to set separate goals for audit  
4 requirements. So, once again, staff would recommend  
5 that this is up to the Commission's discretion as to  
6 whether they wish to vote on this issue.

7 And I believe the same follows with  
8 respect to Issue 14 with respect to what the  
9 Commission should do in this proceeding to encourage  
10 the efficient use of cogeneration. This was an  
11 issue that was raised by one of the intervenors in  
12 this proceeding. Under 366.81 it states that the  
13 Legislature intends that the use of solar renewable  
14 energy, highly efficient systems, cogeneration, and  
15 load control systems be encouraged, but there is no  
16 specific requirement that the Commission must do so  
17 in this proceeding.

18 **CHAIRMAN CARTER:** Thank you.

19 Commissioner Skop, you're recognized.

20 **COMMISSIONER SKOP:** I guess when it was  
21 first mentioned there were three issues that we  
22 needed to take up as a preliminary matter. Was  
23 Issue 11 included in that? Was it 9, 10, and 11?  
24 Okay. So where does Issue 11 fall into this?

25 **MR. BALLINGER:** I think Issue 11 would

1 fall under the normal course of action as we go  
2 through the original recommendation.

3 **MS. FLEMING:** That is correct. Issue  
4 11 -- and I'm sorry I left that off. It falls under  
5 366.82, and it really is a fallout of what the  
6 Commission decides with respect to the goals on  
7 Issues 9 and 10. So we would suggest that the  
8 Commission could vote on this issue.

9 **COMMISSIONER SKOP:** How with respect to  
10 Issue 11 is that a fallout from 9 and 10? I thought  
11 Issue 11 was somewhat in addition to that because it  
12 was a staff proposal to advance solar within the  
13 state.

14 **MS. FLEMING:** The legislative intent does  
15 establish that the use of solar be encouraged within  
16 the state. We think that the use of solar should be  
17 encouraged within this proceeding. Staff does  
18 recommend that the Commission vote on Issue 11 as an  
19 additional incentive to promote renewable energy  
20 within this proceeding.

21 **COMMISSIONER SKOP:** Thank you.

22 **CHAIRMAN CARTER:** Thank you, Commissioner.  
23 Commissioners, we're in questions; we're  
24 in the question phase or comments.

25 **COMMISSIONER ARGENZIANO:** Give me a

1 moment.

2 **CHAIRMAN CARTER:** Okay. We will do that.

3 Commissioner Edgar, you're recognized.

4 **COMMISSIONER EDGAR:** Since we have had  
5 some discussion about the order of items, if I could  
6 ask staff to kind of tee up the amended  
7 recommendation for Issues either 9 and then 10 or 9  
8 and 10 together, whichever is the easiest way to do  
9 that.

10 **MR. BALLINGER:** Yes. Issue 9 is the  
11 residential goals, Issue 10 is the  
12 commercial/industrial goals. And I am going to talk  
13 about them together. It's much easier that way.  
14 The individuals are shown in the supplemental  
15 recommendation starting in Attachment 1. I'm sorry,  
16 Attachment 2, which shows both residential and the  
17 commercial/industrial separate, which is what the  
18 Commission needs to set.

19 But, as a package, what staff did is with  
20 the direction to get more aggressive DSM goals, we  
21 went back and, as I said earlier, each utility  
22 proposed the E-RIM goal. The staff tried to come up  
23 with a consistent methodology for all utilities, and  
24 that's why we proposed the E-TRC goal, which gets  
25 you higher not only demand savings, but also

1 predominately energy savings for each utility.

2           While cost-effective on a system basis,  
3 this does -- going to the E-TRC test is a policy  
4 shift for the Commission moving away from the RIM  
5 test. And it does result in the possibility of some  
6 cross-subsidization not only between customer  
7 classes but within customer classes of participants  
8 and nonparticipants.

9           And let me explain a little further. We  
10 noticed that moving to the E-TRC measures the  
11 majority of measures that pass the E-TRC test were  
12 commercial/industrial measures. So what you're  
13 adding to the goals are measures for  
14 commercial/industrial customers more so. That to me  
15 means that residential customers may be subsidizing  
16 those types of programs. Which is okay. It's still  
17 cost-effective from a system-wide basis, but you  
18 have this inequity between rate classes.

19           Also, going to the TRC test in general  
20 results in more cross-subsidization within a rate  
21 class. For example, even residential customers  
22 between the people who cannot participate or choose  
23 not to participate in a DSM program are funding the  
24 programs for others. So because of the lost  
25 revenues associated with mainly the impact, you have

1 that other cross-subsidization, and that is --

2 **CHAIRMAN CARTER:** Hang on one second.  
3 Commissioner Argenziano.

4 **COMMISSIONER ARGENZIANO:** And how does  
5 that -- or how does that abide by the statute where  
6 in particular -- and I may be reading it wrong,  
7 where in 366.81 it basically says, "Accordingly, in  
8 exercising its jurisdiction, the Commission shall  
9 not approve any rate or rate structure which  
10 discriminates against any class of customers on  
11 account of the use of such facilities, systems, or  
12 devices."?

13 **MR. BALLINGER:** I think that more is you  
14 have to at least offer stuff to each class. And I  
15 think in your ratemaking procedures when we have  
16 rate cases we can get the difference between  
17 residential and commercial customers the rate the --  
18 what they call parity, if you will, a contribution  
19 to return on equity. You can get that at parity  
20 between classes. The participants and  
21 nonparticipants is tough, because this is voluntary  
22 programs. You put programs out there and people may  
23 choose not to participate or they can't participate  
24 if they are a renter or something of that nature.  
25 So you can't totally avoid discrimination, if you



1 will, between rate classes.

2 **COMMISSIONER ARGENZIANO:** I guess what I'm  
3 trying to figure out is if the Legislature is  
4 telling us what to do, then I'm trying to make it  
5 clear what are they telling us. Because when the  
6 people start yelling at the PSC, or praising the  
7 PSC, I'd like to tell them, well, that is what the  
8 Legislature told us to do.

9 I want to be very clear on what the  
10 Legislature is intending or is telling us. Does it  
11 say shall not or shall, which means when I know -- I  
12 know them over there. When they say shall they mean  
13 it for whatever reason.

14 **MR. BALLINGER:** I'm not sure. I mean,  
15 there was a lot of debate at the hearing. There was  
16 confusion over what the statute said. Did it say  
17 RIM, did it say TRC? I think staff still believes  
18 that all three tests provide you valuable  
19 information.

20 From a system basis, the TRC test tells  
21 you there is net benefits from society as a whole.  
22 That's okay. Now, as you move further from that, if  
23 you start putting in these measures that have a  
24 quick payback that staff believes you can get the  
25 same impact just by education and people should do

1 on their own anyway, if you set that as a goal and  
2 force the utility to do that, then you have forced a  
3 rate impact on other customers which way may be  
4 getting out of line, which may be unduly  
5 discriminatory.

6 So it's a matter of degree. I don't think  
7 we can stop it entirely, but as we move farther away  
8 from a TRC test you run the risk of having more  
9 discrimination.

10 **COMMISSIONER ARGENZIANO:** Mr. Chair, which  
11 is what the Legislature said we shall not do.

12 **MR. BALLINGER:** Correct.

13 **COMMISSIONER ARGENZIANO:** Now, if I am of  
14 the belief that people out there -- if they would  
15 have done it, they would have done it already, and  
16 perhaps they should pay more if they don't want to  
17 do it, and then you pay more, I guess. I have even  
18 incorporated LED lighting into my home now as much  
19 as I can. So I think if you are willing to do it,  
20 you're going to do it to begin with.

21 But, again, going back to what the  
22 Legislature says, and they are saying we shall not  
23 do that, and I want to make sure that with each  
24 option we have we need to know if we are following  
25 what the Legislature has told us to do. Because

1 there are times when they leave it up to us and  
2 there are times when they tell us what to do. And I  
3 want to make it very clear and would like staff to  
4 make it very clear if that is -- each one of those  
5 options are adhering to what the Legislature said we  
6 shall do. Because even if the media is listening  
7 out there, I want them to understand what the  
8 Legislature has told -- told the PSC they will and  
9 will not do, and I plan to do that for as long as  
10 I'm here.

11 **CHAIRMAN CARTER:** Mr. Ballinger.

12 **MR. BALLINGER:** I'm reading the statute  
13 again, and I would take it a little differently that  
14 it says we cannot approve a rate or rate structure  
15 which discriminates against a class of customers if  
16 they use these DSM programs. So it's basically  
17 saying that we can't force an extra surcharge on  
18 somebody if they do a DSM program. It's a little  
19 different. It's not real clear, I'll have to admit  
20 that.

21 **COMMISSIONER ARGENZIANO:** I think the same  
22 thing. Thank you.

23 **CHAIRMAN CARTER:** Thank you, Commissioner.  
24 Commissioner Skop, you're recognized.

25 **COMMISSIONER SKOP:** Thank you, Mr. Chair.

1 Just a couple of follow-up questions for staff while  
2 we are working through this.

3 On Issue 2, it shows on Page 15, the table  
4 in Column D, the percent excluded due to a two-year  
5 screen. And that got back to what staff designated  
6 as eliminating free riders from the analysis and a  
7 lot of the achievable potential went away or was  
8 vaporized by that screening test.

9 Was any analysis done to look at, you  
10 know, a sensitivity as to what would happen if there  
11 was a one-year payback and how much of that lost  
12 potential would be recaptured if they used a  
13 one-year payback as the screening test? Which,  
14 again, if the consumer was going to do something and  
15 got one-year payback, yes, they probably should be  
16 doing that on their own. Two years is a little bit  
17 more questionable. So, again, I was wanting to know  
18 for Column D how much of that potential would be  
19 recaptured if they used a less rigorous screen.

20 **MR. BALLINGER:** Okay. There were no  
21 sensitivities done looking at a one-year payback,  
22 per se, which would lessen the amount, obviously.  
23 The two-year screen was talked about at the hearing  
24 as being -- I don't want to say an industry  
25 standard, but used quite frequently. It has been

1 used in the past in proceedings before the  
2 Commission as kind of a general rule of thumb of a  
3 good economic screening of that, and that's where we  
4 stand. So I guess the short answer is no, there  
5 wasn't an economic screening.

6 **COMMISSIONER SKOP:** Okay. But you would  
7 agree that on Page 15 the majority if any achievable  
8 potential is practically eliminated by that two-year  
9 screen being applied, is that correct? Is that the  
10 correct way to look at Column D?

11 **MR. BALLINGER:** Yes, and I interpret that  
12 to say there is a lot of potential out there that  
13 people can do on their own that has a very quick  
14 payback to individual customers. So as I said  
15 earlier at the November 10th, this was a useful  
16 proceeding to go through because it identified a  
17 large block of savings that has very quick payback  
18 to customers.

19 **COMMISSIONER SKOP:** Okay. And I think the  
20 point that would have been, I think, useful to me is  
21 if a one-year screen would have been adopted -- for  
22 instance, if somebody was going to do something that  
23 would have got immediate payback, I mean, that  
24 indicates to me they probably should have done it.  
25 Whereas two years, again, a little bit more question

1 mark as to what may need to be looked at as an  
2 opportunity to achieve potential or recapture that  
3 potential on a case-by-case basis instead of a  
4 blanket approach.

5 Another point I wanted to ask, and I don't  
6 know if it was considered at all, but as we strive  
7 to maximize energy efficiency savings in the state,  
8 is staff looking at any other states and best  
9 practices? I know that the California Energy  
10 Commission, which probably has a little bit  
11 different jurisdiction than we have in Florida, but  
12 basically instituted the first energy efficiency  
13 standards for televisions in the state, and I guess  
14 that was a landmark to the extent that it was  
15 expected to save about \$8.1 billion in energy costs  
16 over the period of time. So I was wondering if we  
17 are looking or benchmarking at other best practices  
18 that might be adopted, maybe not by our agency, but  
19 other things that can be done to encourage and  
20 incentivize energy conservation and efficiency.

21 **MR. BALLINGER:** The Commission does have  
22 contact with other agencies. For example, appliance  
23 efficiency standards are through the DCA and things  
24 of that nature, and utilities do take those into  
25 account. You had, especially in this proceeding,

1 FPL pointing out that with new appliance efficiency  
2 standards that is taking up a big chunk of savings  
3 that are potential out there. You are getting more  
4 efficient air conditioners, more efficient light  
5 bulbs. I mean, you won't be able to buy an  
6 incandescent bulb in a few years. It will have to  
7 be compact fluorescents. So the market slowly  
8 evolves to the efficiency.

9 We do look at other states, but it's  
10 different because they don't have the same statutory  
11 charge that we do in a lot of it. You know, we have  
12 specific legislation here to look at the technical  
13 potential in Florida, to look at the achievable  
14 potential and set numeric goals for a ten-year  
15 period. I'm not that familiar with other states and  
16 how they do a goal proceeding. Is it a just a  
17 value, an aspirational goal that they put out there  
18 that utilities try to meet? Is there rewards and  
19 penalties associated with it? I don't know.

20 **COMMISSIONER SKOP:** Okay. And, you know,  
21 this is a brainstorming. I guess the numbers I saw  
22 was, again, that initiative although it probably  
23 makes consumers buy more energy efficient TVs, it  
24 was, I guess, expected to save 8.1 billion over ten  
25 years was the number. And that was, I guess,

1 approximately 800,000-plus homes in terms of the  
2 energy savings. I was just looking at that as an  
3 opportunity, again, to try and do things that don't  
4 necessarily raise costs to the ratepayers, but also  
5 could add to the cumulative energy efficiency and  
6 savings.

7 So, again, I just would ask staff to  
8 continue to look at other states and their best  
9 practices and see if any of that would be readily  
10 applicable either for the Commission or to make  
11 other agencies aware of.

12 **CHAIRMAN CARTER:** Thank you. Commissioner  
13 Argenziano, you're recognized.

14 **COMMISSIONER ARGENZIANO:** Thank you. And  
15 I guess while we are discussing it, if staff could  
16 help me, because I'm having a hard time with the  
17 whole free rider issue. Because I know there are a  
18 lot of people out there who still have not had the  
19 ability to change over to CFLs, and I know that is  
20 not the main electric draw in one's home, but it  
21 certainly would add to it if a lot of people went to  
22 more efficient either CFLs, or LEDs, or whatever,  
23 and televisions and water heaters and anything that  
24 they can.

25 So while staff basically points out that,



1 you know, if you're going to do it you would have  
2 done it, I have a problem with that because I know  
3 there's a lot of people who haven't, especially  
4 during hard economic times. These are people who  
5 are already economically distressed or stressed to  
6 begin with, and we met some of them in some of the  
7 meetings and hearings that we went around to in  
8 different service hearings that said I can't do  
9 that.

10 I remember one lady the company had CFLs  
11 for her and they pulled them out of the trunk of the  
12 car and gave them to her to use, and I'm sure that  
13 has been very beneficial. So while in one respect  
14 staff says basically, I guess, when utilities  
15 provide financial incentives to naturally occurring  
16 DSM they create free riders, but isn't really in a  
17 sense if you can get everybody -- even if they are  
18 free riders who can afford to pay for it themselves  
19 who have incentivized even more to create more  
20 energy efficiency in their home, isn't there some  
21 point down the line where it is going to really  
22 benefit, even if everybody is paying for it, as far  
23 as maybe the demand on the current --

24 **MR. BALLINGER:** I think that's the  
25 philosophy between the TRC test from a system-wide

1 basis, yes, it is showing savings, but rates are  
2 going up between customer classes. And if I could,  
3 if I could direct you to Page 11 of the supplemental  
4 recommendation. I'll pick PEF as an example to kind  
5 of give you --

6 **COMMISSIONER ARGENZIANO:** Hang on. I may  
7 be on the wrong 11.

8 **MR. BALLINGER:** The table has PEF total  
9 DSM goals -- in the supplemental recommendation.

10 **CHAIRMAN CARTER:** I'm in the wrong place.  
11 Hang on a second.

12 **COMMISSIONER ARGENZIANO:** I'm sorry, hang  
13 on. I've got it. Hang on, I'm getting there. Go  
14 ahead.

15 **MR. BALLINGER:** Okay. To give you an  
16 idea, it lists the type of measures that are in the  
17 free riders, and you can see they are dominated by  
18 CFLs, and you have high-efficiency pool pumps,  
19 proper refrigerant charging for your AC system,  
20 which means having the AC contractor come out and  
21 check your system, and general maintenance and  
22 things of that nature. So they are pretty simple  
23 things, but they have a huge energy impact.

24 If you look at the table at the top, the  
25 column labeled E-TRC is what staff is recommending

1 in the supplemental recommendation, and that raises  
2 the energy goal for Progress significantly from what  
3 they proposed. It goes from 614 gigawatt hours to  
4 1585 gigawatt hours. Now, that has a fairly  
5 significant effect on the revenue impact which will  
6 have to be made up at a later date.

7 If you go to just the next column over,  
8 which is if you just added in the residential free  
9 rider measures, the top ten, not all the free  
10 riders, but just the top ten, that number jumps up  
11 to 3,488 gigawatt hours. And you see it has almost  
12 a 400 basis point revenue impact, or \$203 million.  
13 Which if that happened tomorrow, Progress still has  
14 fixed costs that have to be recovered and rates  
15 would have to be raised that much.

16 **COMMISSIONER ARGENZIANO:** And that just  
17 goes to another -- and I understand that, it's just  
18 a real -- it's kind of hard to tell people out there  
19 that when you save and you are doing right now by  
20 trying to use the most energy efficient appliances  
21 in your home, that no matter how much you save the  
22 company still has the right to recover its costs.  
23 So we have this -- it's almost like telling people  
24 don't bother saving because you are going to pay for  
25 it anyway. Ultimately at some point it has to --

1 well, I shouldn't say even out, but it has to become  
2 better -- in regards to possibly building new plants  
3 or needing more energy, it has to meet some kind of  
4 a --

5 **MR. BALLINGER:** And the E-TRC test does  
6 take into account the deferral of new plants, so it  
7 does take into the capacity benefit. That is not  
8 driven by energy savings. That is driven by the  
9 demand savings, the summer and winter demand. A TRC  
10 type program doesn't have as much impact on demand  
11 as it does on energy, so it doesn't have the same  
12 level of impact of moving power plants out as a RIM  
13 program does.

14 **COMMISSIONER ARGENZIANO:** But the goal of  
15 the state and of the nation is to try to use less  
16 energy or become most efficient with the energy that  
17 we use.

18 **MR. BALLINGER:** Right, but the goals --

19 **COMMISSIONER ARGENZIANO:** One of the  
20 goals.

21 **MR. BALLINGER:** One of the goals, exactly.  
22 We have to do demand and energy, and it's a  
23 balancing act. And it is awkward tension with  
24 utilities promoting conservation. You are telling  
25 them not sell their product. That is a natural

1 tendency. It's like paying farmers not to grow  
2 corn.

3 **COMMISSIONER ARGENZIANO:** Well, that's  
4 another thing that people ask.

5 **MR. BALLINGER:** And that's why I look at  
6 it as there are some programs that are beneficial to  
7 the utility and their general body of ratepayers.  
8 And even under the E-TRC test that does show a  
9 benefit. When you start going beyond and making  
10 these policy choices of maybe putting in some of  
11 these free riders that people should be doing  
12 anyway, you're forcing that subsidization a little  
13 bit further and further down the line.

14 **COMMISSIONER ARGENZIANO:** And I understand  
15 that, and I can appreciate that. But the problem is  
16 are we never going to get there if we don't force  
17 some people?

18 **MR. BALLINGER:** But even if you put an  
19 incentive out there they may not take it.

20 **COMMISSIONER ARGENZIANO:** Well, then they  
21 pay more. They deserve to pay more then.

22 **MR. BALLINGER:** But you've incurred the  
23 cost, the administrative cost of creating that  
24 program and all those kinds of things, and that's  
25 why we are thinking -- staff is recommending that

1 for those types of programs, beef up your education  
2 program to really make people aware. They probably  
3 are aware and they choose not to do it for a variety  
4 of reasons.

5 **COMMISSIONER ARGENZIANO:** Well, Mr. Chair,  
6 I agree that there are people out there who just  
7 choose not to do it. And, you know, then if they  
8 want to pay more on their electric bill, that's up  
9 to them. But there are a lot of people who just  
10 can't do it, and I think they need some incentives.

11 **MR. BALLINGER:** And the other tack is you  
12 see it through appliance efficiency standards where  
13 you can't buy an inefficient air conditioner. In a  
14 few years you won't be able to buy an incandescent  
15 bulb.

16 **COMMISSIONER ARGENZIANO:** Right.

17 **MR. BALLINGER:** And naturally it just  
18 gravitates towards that.

19 **COMMISSIONER ARGENZIANO:** Right. And then  
20 eventually I think -- I understand that, but I can  
21 tell you that I have had constituents in my district  
22 that was a pretty poor district that they'd love to  
23 be able to go out and buy a more energy efficient  
24 refrigerator or an air conditioning unit. They  
25 can't afford 6,000, 5,000, 800, you know, for a new

1 refrigerator, and that's what I'm talking about.  
2 There's a whole pocketful of people out there who  
3 would love to -- and they're kind of like, you know,  
4 sometimes you have to go and like rent furniture  
5 because you can't lay out all the money, but  
6 meanwhile you are paying so much more for that junky  
7 piece of furniture. Excuse me. All the rental  
8 companies now are going to get angry, but you are  
9 paying so much more.

10 They would rather not have to pay \$5,000  
11 for a couch when they could have paid \$1,000, but  
12 they didn't have the money to lay out to begin with,  
13 and I guess that's what I'm trying to focus in on.  
14 I think there's a lot more of those people,  
15 especially now. And if they have children, or  
16 mortgages, and so on, they are sitting in there  
17 saying, okay, do I buy the new energy efficient air  
18 conditioning unit now that I have saved up for it?  
19 They can't. They really can't. And I don't know  
20 how we help those people to get to where we need  
21 them to be.

22 **MR. BALLINGER:** And there are at each  
23 utility -- we had this discussion November 10th.  
24 There are low-income programs each utility has that  
25 they --

1                   **COMMISSIONER ARGENZIANO:** And they get  
2 taken up very, very quickly. There's not enough  
3 money out there for them, so --

4                   **MR. BALLINGER:** Well, the utilities offer  
5 it. So whatever, if there's 100 people that want  
6 it, that cost flows through. If 200 people want it,  
7 that cost flows through. So from the utility side,  
8 it's not a dollar cap limited. They are offering  
9 audits and weatherization tips, weatherstripping,  
10 compact fluorescents, refrigerant, so they are  
11 offering that to whoever takes it.

12                   **COMMISSIONER ARGENZIANO:** And when we went  
13 around, Commissioners, you heard many people who  
14 took those offers.

15                   **CHAIRMAN CARTER:** That's correct.

16                   **COMMISSIONER ARGENZIANO:** And those are  
17 great. Those are important things, and I think that  
18 a lot of people have been taking advantage of those  
19 and it has been paying off, but it still doesn't  
20 take those energy inefficient --

21                   **MR. BALLINGER:** Appliances.

22                   **COMMISSIONER ARGENZIANO:** Thank you. You  
23 want to talk about geezer -- appliances. You know,  
24 you are still not -- I don't know how you get to  
25 that, and there are a lot of families who are still



1           there.

2                   **MR. BALLINGER:**   There is.   And the  
3           philosophy has been that the appliance stock is  
4           naturally going to migrate to more efficient units  
5           over time.   It's not going to happen overnight.   And  
6           the Commission's policy has been that utilities  
7           offer an incentive to go above that, the standard  
8           minimum, if you will, but it's based on what kind of  
9           incremental savings am I getting out of that.

10                   In other words, an incremental cost of  
11           going from a SEER 10 to a SEER 13 air conditioning  
12           unit might be \$3,000.   Some people may not have the  
13           cash to outlay that incremental amount and would  
14           rather have the SEER 10.   Have a little bit energy  
15           bill for a time, but choose not to.   The utilities  
16           from their ratepayers, and it's my belief, too,  
17           should only pay for that incremental benefit,  
18           because that's who is paying for it, and that's the  
19           kilowatts that are going to get saved.

20                   I can see I'm not being real clear.   It's  
21           a tough choice.   I understand what you're saying.  
22           You'd like to get those inefficient appliances  
23           replaced.   There is a lot out there.   There is a lot  
24           of wastage out there.

25                   **COMMISSIONER ARGENZIANO:**   And I understand

1        what you're saying, and it really is a difficult  
2        decision because we are being told that cost does  
3        matter, rates do matter, but at the same time there  
4        are those people and belief that you need to start  
5        changing now, and you need to really put forth a big  
6        effort even if it going to hurt a little because we  
7        have one planet, okay, and we need to stop reliance  
8        on certain areas where we rely on too heavily. And  
9        I don't want to forget that part of it. There is an  
10       environmental part to this that is very, very  
11       important in my mind. So it's like, okay, you keep  
12       saying let's wait, less wait. I don't know that we  
13       have -- I think we have gone beyond -- in my  
14       opinion, we have gone beyond the time we can wait.  
15       So I just want something substantial, but also  
16       keeping in mind knowing that people are hurting  
17       tremendously right now, and they really can't afford  
18       --

19                    **MR. BALLINGER:** And the utility programs  
20       are not the only avenue. There has been a lot of  
21       stimulus money put into the LIHEAP programs,  
22       weatherization programs, things of that nature to  
23       help those things. And not only with appliances,  
24       but shoring up the structure. Adding attic  
25       insulation, wall insulation, changing windows,

1 things of this nature. Because it does two things,  
2 it makes us more energy efficient and it also makes  
3 that customer, that individual person more  
4 financially viable and can maybe get off of  
5 government subsidies for food and for other things  
6 of that nature, so there is multiple benefits, and  
7 that's why those programs are targeted.

8 **COMMISSIONER ARGENZIANO:** Forgive me, and  
9 I don't mean to hound on this, but what I see in  
10 those areas, there are incentives, there are tax  
11 breaks, there are incentives to go and insulate your  
12 attic, but if you don't have the money, and the  
13 money comes down to I'm going to make my mortgage  
14 payment, or feed my children, or go to the doctor,  
15 and I don't know if you realize how many people are  
16 really out in there in that situation, and there  
17 are. And I'm telling you that those are the people  
18 I think that make a big difference.

19 If you can't get to them, and you say  
20 let's wait down the road, I don't think they ever  
21 get to energy efficiency. And I understand those  
22 programs are great. They are being -- I would think  
23 that those from what I see, just from people I know,  
24 middle income, upper middle income are really taking  
25 advantage of that.

1           At the base middle income they can't.  
2           That is the sense I'm getting out there, they really  
3           can't even take advantage of those programs because  
4           they would have to go into credit debt, which  
5           everybody is trying to avoid right now because they  
6           don't have the cash outlay.

7           So you have a whole group of people, and  
8           then you have the people that you are talking about  
9           that are on public assistance. They can't afford --  
10          oh, great, I can get a tax break if I can  
11          re-insulate my attic. They don't have the money to  
12          re-insulate their attic. They just simply don't.  
13          So while I know those programs are beneficial, I'm  
14          not going to chuck off those people to say, well,  
15          you should be insulating your attic. We have  
16          incentives out there.

17          There are people within, I think, the  
18          middle to upper middle class that are taking  
19          advantage of that, and I'm really glad they are, but  
20          there is a whole section, Commissioners, that I'm  
21          talking about that I really don't think can do that  
22          right now.

23                 **CHAIRMAN CARTER:** I'm going to go to  
24          Commissioner Skop in a moment, but, Commissioner  
25          Argenziano, you reminded me of something, and I

1 totally agree with you about that income level, is  
2 that I have talked before about, you know, the  
3 10 grand to put in a new heating and cooling system  
4 in our house. The City had a low-interest program,  
5 but it was all taken up, so I ended up having to  
6 finance it myself. And on these windows, we  
7 replaced our kitchen windows, just two little  
8 kitchen windows. That was \$500. So it starts to  
9 add up when you start talking about -- and the guy  
10 says this is the most efficient heating and cooling  
11 unit you can get for your place, and we're going to  
12 bump it up a little bit so it will be a long-term  
13 positive benefit for you. And in the window they  
14 have got like a double pane. I never knew so much  
15 technology went into a window before, but just  
16 between those two things, and obviously we have  
17 fluorescent bulbs all over the house, we have gotten  
18 those, but that's a lot of money. That is a lot of  
19 money indeed.

20 And, you know, I think what you are saying  
21 is something that is kind of the crux of the matter,  
22 is that -- it's like credit, you can't get it unless  
23 you, you know, you got it. And so a lot of people  
24 can't get the credit and then they are forced to go  
25 to these -- I won't talk about the payday loan folks

1 and all like that, but they are forced to go to  
2 different processes when I think that below that  
3 income level that you mentioned those people more or  
4 less you are going to have to give that to them.  
5 That's what I'm thinking, Commissioner. You just  
6 have to give it to them because -- you know, I'm  
7 just thinking about my number two daughter who works  
8 as a hair -- cosmetologist, and you know, she  
9 doesn't have health insurance because it costs her  
10 \$500 a month, and some months she doesn't make \$500.  
11 And, of course, you know, she calls on daddy when  
12 that happens. But there are a lot of people that  
13 can't call on daddy, you know, and that's a whole  
14 group of folks.

15 **COMMISSIONER ARGENZIANO:** Mr. Chair, I  
16 think that is my point is that more so than ever  
17 before, because we are in such a national economic  
18 crisis. More so than over before do you have more  
19 people, even within the middle income, that have  
20 families that simply can't afford the outlay. It  
21 would mean taking that credit card. I have talked  
22 to people who have been taking their credit -- which  
23 everybody is really trying so desperately to avoid  
24 right now. Cash is king. And they just can't get  
25 there.

1           So if you have that gap that has grown  
2 that can't afford to go towards energy efficiency,  
3 there has to be some kind of incentives that are  
4 stronger than just saying you will get a tax break  
5 if you put insulation in your attic, because they  
6 can't afford the insulation to begin with. So  
7 that's the only thing I want us to cognizant of.  
8 There are a lot more of those families than you  
9 would believe.

10           **CHAIRMAN CARTER:** Absolutely.

11           **MR. FUTRELL:** Mr. Chairman, if I may offer  
12 some additional information for Commissioner  
13 Argenziano.

14           **CHAIRMAN CARTER:** Okay.

15           **MR. FUTRELL:** Mark Futrell of Commission  
16 Staff.

17           **CHAIRMAN CARTER:** And then we will go to  
18 Commissioner Skop.

19           You're recognized, Mark.

20           **MR. FUTRELL:** The Legislature is very  
21 mindful of those issues you have raised. Two things  
22 they have done recently is they have appropriated  
23 some stimulus dollars to the Energy Office to help  
24 establish an appliance rebate program that will  
25 be --

1                   **COMMISSIONER ARGENZIANO:** Do you have an  
2 amount?

3                   **MR. FUTRELL:** It's a couple of million  
4 dollars, I believe. I don't have the information  
5 right now.

6                   **CHAIRMAN CARTER:** Is that the program that  
7 was the money was all gone in a couple of weeks or  
8 so?

9                   **MR. FUTRELL:** That's the solar rebate  
10 program. It's actually -- I've got the information  
11 here. It is \$17.6 million that has been  
12 appropriated from stimulus dollars for the appliance  
13 rebate program.

14                   **COMMISSIONER ARGENZIANO:** And is that over  
15 a period of time?

16                   **MR. FUTRELL:** It will begin in April and  
17 it will run until the dollars are gone. So it's a  
18 first come, first serve program. It will apply to a  
19 number of appliances, washers, a whole host of  
20 energy intensive appliances.

21                   **COMMISSIONER ARGENZIANO:** And could you  
22 just -- if you would, because I remember reading  
23 about it, but I don't have the details yet, and I  
24 was hoping to get those. They will be -- what are  
25 the qualifications or the criteria?



1           **MR. FUTRELL:** It's not an income-based  
2 program, it will be available to all Floridians, and  
3 it's going to cover refrigerators, freezers, washing  
4 machines, dishwashers.

5           **COMMISSIONER ARGENZIANO:** What are the  
6 allowances? What can you -- I thought there were --

7           **MR. FUTRELL:** It's going to be 20 percent  
8 of the purchase price.

9           **COMMISSIONER ARGENZIANO:** 20 percent.

10          **MR. FUTRELL:** There were a number of  
11 options the Energy Commission considered about how  
12 to set up the rebate, but they settled on 20 percent  
13 of the purchase price. And you can get a rebate for  
14 every appliance. If you buy, if you buy an  
15 appliance, you'll get a rebate. There's no limit on  
16 what you can buy.

17          **COMMISSIONER ARGENZIANO:** Right. And that  
18 is, those are great things. I'm not saying -- I bet  
19 they go up real quick. But if you still don't have  
20 the other 80 percent --

21          **MR. FUTRELL:** Right. And on the other  
22 side, on the energy affordability the Legislature  
23 has addressed, is mindful of that energy  
24 affordability gap that is growing, as you've talked  
25 about, and they tasked the Department of Community

1 Affairs to address that issue, and the DCA brought  
2 them a report in January laying out ten proposals to  
3 address this growing energy affordability gap. And  
4 it's a mixture of ideas including utilizing the  
5 utilities to help with this issue.

6 **COMMISSIONER ARGENZIANO:** Right.

7 **MR. FUTRELL:** And also to establish a  
8 dedicated funding source to weatherization  
9 assistance programs and LIHEAP because that's  
10 obviously been a problem is you've got these  
11 fluctuations in funding and then you've also got the  
12 needs are growing and extend beyond what the budgets  
13 have been in the last several years.

14 **COMMISSIONER ARGENZIANO:** Right. Right.

15 **MR. FUTRELL:** So the Legislature seems to  
16 have their eye on this issue.

17 **COMMISSIONER ARGENZIANO:** Well, I know, I  
18 know they have to be because we've been hearing it  
19 for years. Even when I was there it was a growing  
20 problem and we couldn't get to the goals,  
21 conservation goals that we wanted to with that  
22 growing gap there. So that's the point of just  
23 being mindful of that. And I'm glad that's going to  
24 be there, and I guarantee you that 17.6 million is  
25 going to be gone very quickly. And I hope people do

1 utilize it.

2 **CHAIRMAN CARTER:** Thank you.

3 Commissioner Skop.

4 **COMMISSIONER SKOP:** Thank you, Mr.

5 Chairman. I just want to go back to Page 15 of the  
6 original recommendation.

7 **CHAIRMAN CARTER:** Page 15.

8 **COMMISSIONER SKOP:** And that, that table  
9 there again shows the, illustrates the application  
10 of the two-year screening, payback screening test.  
11 And I guess with that in mind, I also share  
12 Commissioner Argenziano's concerns regarding the use  
13 of the two-year payback screening test to eliminate  
14 what staff has deemed to be free riders.

15 I think that, you know, the discussion has  
16 focused on offering incentives and rebates for  
17 larger items such as, you know, 18 SEER heat pumps  
18 and such, something over and above what the standard  
19 may be.

20 But if I understood Commissioner  
21 Argenziano correctly, I think even her concern is  
22 even more basic than that. It's like why can't we  
23 offer some portion of compact fluorescent light  
24 bulbs to consumers or something like that and why  
25 under this test would they otherwise be completely

1 eliminated because of the payback? So that's,  
2 that's my concern.

3 Again, we didn't have the luxury of having  
4 the data, I believe, to do how much of that  
5 achievable potential would have been recaptured by  
6 the application of a one-year screening test over a  
7 two-year. And there's a lot of low-hanging fruit  
8 that just got eradicated by the application of this  
9 arbitrary test.

10 I think the solution to this, and I stated  
11 this previously I think the last time on  
12 November 10th when we had this discussion, is that  
13 this is just the goal setting phase that the  
14 Commission is in. After we set some goals, the  
15 utilities will come in on an individual basis and  
16 propose programs. And at least in that phase, and I  
17 think this should be very succinctly stated in the  
18 order, at least from my perspective I don't want to  
19 be limited to a two-year screening test. I would  
20 like the utilities to be able to bring in any  
21 program they deem worthy, even if it was CFLs, to be  
22 considered.

23 I also don't want to be limited by a RIM  
24 test or, you know, anything like that. I want to be  
25 able to use a TRC on some programs. So having a

1 wide variety of programs isn't necessarily a bad  
2 thing. But if we were to do what staff suggests,  
3 some of those programs that do have near-term  
4 payback would be completely eliminated and not even  
5 proposed by the utilities. And from my perspective  
6 if the order for goal setting was crafted  
7 specifically to state that the Commission does not  
8 want to be limited by a two-year payback and does  
9 not want to be limited by the RIM test and wants to  
10 consider on a case-by-case basis either a shorter  
11 payback term or the use of the TRC test when  
12 appropriate for certain projects, it puts the  
13 Commission in a much better position to make a value  
14 choice as to doing some of the things that  
15 Commissioner Argenziano alluded to. How do you get  
16 low income consumers, and Chairman Carter also  
17 mentioned it, how do you get help to the people that  
18 can't otherwise go out and buy a new appliance?  
19 Obviously we can't expect to give them to them for  
20 free, but there's other things that can be done on a  
21 limited basis.

22 So I think my point being, instead of just  
23 arbitrarily applying this two-year payback as a  
24 screen and losing much of the achievable potential  
25 by doing so, simply if we remove that barrier and

1 looked at things on a case-by-case basis, I think  
2 that gives the Commission a lot more flexibility. I  
3 know it would give me more flexibility to make those  
4 choices that we will need to make in the next phase  
5 of actually applying the goals that we'll set  
6 hopefully today.

7 But I think that that's not necessarily a  
8 bad thing because you can do a little of something  
9 that's more expensive and a lot of something that's  
10 less expensive and at the end of the day it all  
11 balances out. So there's not to say that you can't,  
12 like GRU does, I think they gave away a hundred  
13 window AC units. It was just come get them. Bring  
14 in your old one, we'll give you a brand new one.  
15 You don't owe us anything. That was unique. I  
16 mean, would people call that to be cost-effective  
17 for the general body of ratepayers? Probably not.  
18 But if it's done on a small scale with the resources  
19 that one has, it provides some good to the, to the  
20 community at large, for the environment and a whole  
21 host of things, but it's not draining the piggy bank  
22 to the extent that you're not doing it unlimited.  
23 There's finite controls on that.

24 So again we're talking about a lot of  
25 money, a lot of programs. And I think that if we

1 don't tie our hands and we have flexibility as a  
2 Commission and don't put all these constraints that  
3 staff has looked at in this recommendation, then  
4 that would allow us to have that flexibility to pick  
5 and choose and to consider programs that otherwise  
6 would be eliminated through the application of this  
7 two-year payback that we otherwise wouldn't even see  
8 because they wouldn't be proposed.

9 But maybe we can pick a few of those, and  
10 I think staff had mentioned looking at some top ten  
11 items that otherwise wouldn't have made the screen.  
12 But I just think that flexibility would go a long  
13 way to addressing some of the concerns that I heard  
14 from Commissioner Argenziano, and I also have that  
15 same concern, that I don't want my hands to be tied  
16 and I want us to have flexibility. So thank you.

17 **MR. FUTRELL:** Commissioner Skop, if I may.  
18 I think if there's individual measures that you're  
19 interested in seeing, you can give that direction to  
20 the utilities. And the level of goals you set do  
21 not necessarily dictate what measures come back in  
22 the form of programs. There was a lot of discussion  
23 at the hearing about this idea of bundling measures  
24 into programs and bringing measures that maybe on  
25 their own individually may not pass the test or pass

1 one test and fail another, but that bundling them  
2 together with measures that do pass the test, you  
3 may end up with a program that overall is  
4 cost-effective. And I think if you are -- if there  
5 are things you are interested in seeing like that,  
6 like you were talking about having flexibility, you  
7 can give that direction, but it doesn't necessarily  
8 tie to a specific target you set. I mean, a target  
9 does not necessarily exclude measures if there's  
10 things you're interested in seeing.

11 **COMMISSIONER SKOP:** And I understand that,  
12 and thank you.

13 To clarify my comment, I know that the  
14 bundling works well because it provides more  
15 opportunity and flexibility to consider projects  
16 that otherwise would not even get, garner  
17 consideration. But I would even go so far to say on  
18 a stand-alone basis, even if a project or program  
19 was not cost-effective, such as CFLs or something  
20 like that, if you did that and considered it on a  
21 limited basis even without bundling and only did a  
22 small portion of it, then that's not necessarily a  
23 bad thing. It's something that you can do on a  
24 limited basis.

25 So my concern would be, and I fully



1 appreciate and understand that this is the goal  
2 setting phase and the screens that are applied  
3 basically, you know, determine what of the  
4 achievable potential can be captured, but I think  
5 that we've made some progress towards moving forward  
6 with more aggressive goals. It remains to see how  
7 the Commission will vote or what the consensus will  
8 be.

9 But I think in this order for goal setting  
10 it would be very incumbent upon the Commission  
11 should it be adopted by my colleagues to emphasize  
12 that when we get into the next phase of program  
13 development, that we do not want to be limited by a  
14 two-year screen and we do not want to be limited by  
15 the RIM test. You know, we're basically open to any  
16 ideas that the utilities may want to propose such  
17 that we can consider and evaluate them on the  
18 merits, noting that some will not be cost-effective  
19 or some will be more costly than others. But,  
20 again, Mr. Futrell, to your bundling aspect, in the  
21 aggregate collectively, even if you have something  
22 that is not cost-effective, combined in the  
23 aggregate it may be cost-effective as a whole. So,  
24 again, I was just trying to accommodate my concern  
25 and the concern I heard from Commissioner

1       Argenziano.

2                   But I don't want to send the false  
3       impression that we will not consider things just  
4       because of a two-year screen that's applied to  
5       eliminate what staff deems to be free riders. I  
6       just think that sends the wrong message. It may be  
7       good for goal setting purposes, but it may also send  
8       the wrong message to discourage utilities from  
9       bringing forward other ideas that I think I've heard  
10      from my colleagues when we get into the program  
11      development phase.

12                   So I'd like to see some express language  
13      in any order that we'd issue in this proceeding  
14      providing that direction.

15                   **CHAIRMAN CARTER:** Thank you.

16      Commissioners, here's the plan is that we'll  
17      continue comments, and then once we get beyond  
18      comments we're going to craft, we'll craft a motion  
19      pursuant to what we've heard today. The tremendous  
20      concern Commissioner Argenziano mentioned about  
21      being able to help the least of us is something I  
22      deal with every day. Commissioner Skop, in terms of  
23      not tying the Commission's hands, having those  
24      options on a case-by-case position, that makes sense  
25      because you really want to do -- what we've, what

1 we've done is not working, so we need to do  
2 something different, and I recognize that. So I  
3 just kind of want to -- when we do get to the phase  
4 of forming the motion and forming the, our  
5 resolution on this issue, I want to encompass  
6 everyone's perspective on that. All right?

7 Commissioner Argenziano, you're  
8 recognized.

9 **COMMISSIONER ARGENZIANO:** Thank you,  
10 Mr. Chair.

11 Just a, just a couple of questions. I  
12 remember in the last, and forgive me if I didn't  
13 hear this, but according to the statute, we are to  
14 be looking at including demand-side renewable  
15 energy, I'm sorry, demand-side and supply side  
16 conservation. Have we looked at -- what are we  
17 doing on the supply side?

18 **MR. BALLINGER:** Yes. We talked about that  
19 back in November.

20 **COMMISSIONER ARGENZIANO:** Right.

21 **MR. BALLINGER:** And supply side really  
22 doesn't fit with conservation goals that you're  
23 setting today. That's done in other arenas, the  
24 Ten-Year Site Plan review, we look at it in need  
25 determinations for power plants, things of that

1 nature.

2 **COMMISSIONER ARGENZIANO:** But the  
3 Legislature said in developing these goals we shall  
4 look at both of those.

5 **MR. BALLINGER:** And I think the utilities  
6 are because, remember, DSM is an alternative to  
7 building a power plant. So if you've done your  
8 supply side efficiency and said I still need to,  
9 excuse me, build a power plant in year X, what DSM  
10 can I do then to avoid that power plant? So I've  
11 designed my supply side the most efficient I can,  
12 and then DSM comes in and says, all right, now what  
13 can I defer to even avoid building that, if you  
14 will? And they do work together because, quite  
15 honestly, DSM sometimes will push out an efficient  
16 generating plant, which has a much bigger impact.  
17 In other words, a 1,200-megawatt power plant, a  
18 repowering going from an old oil burning plant to a  
19 new natural gas plant has significant improvements  
20 in heat rate and emission profile and everything and  
21 it has a much bigger savings immediately than  
22 getting 1,200 megawatts of DSM, which may take 15  
23 years. So sometimes DSM works against you on, on  
24 the supply side efficiency.

25 **COMMISSIONER ARGENZIANO:** Okay. But we

1 are looking at that as far as --

2 **MR. BALLINGER:** Yes.

3 **COMMISSIONER ARGENZIANO:** Okay. And, and  
4 I guess what I want to get a good feel of -- and you  
5 gave me some graphs this morning and I haven't  
6 really been able to digest them that quickly coming  
7 in and just sitting down and not really be able to,  
8 to evaluate them, and maybe we can, we can do that  
9 in a minute. But what I want to know at the end of  
10 the day here today is like a percentage, an overall  
11 percentage of energy savings of each one of the  
12 plants and where are we in comparison to other  
13 states as far as really -- what is our -- I want  
14 some kind of percentage. I've seen things in the,  
15 in the newspapers, I've heard them around that  
16 Florida is below 1 percent on really any kind of an  
17 aggressive goal saving, energy goal saving. And I'd  
18 like to know what these plans really are in numbers,  
19 what are we really saving, so I can evaluate whether  
20 we're moving aggressively or quick enough in my  
21 opinion.

22 **MR. BALLINGER:** Okay. The first thing is  
23 I've heard those numbers too of only 1 percent.  
24 That's comparing it to total sales of certain  
25 utilities to get those low percentage numbers.

1 That's going to happen because, one, we have a very  
2 large energy base compared to other states. We use  
3 a lot of kilowatt hours mainly because of our air  
4 conditioning load.

5 **COMMISSIONER ARGENZIANO:** Let's compare to  
6 other states that are similar.

7 **MR. BALLINGER:** Well, but, again, the  
8 charge in the statute is to look at load growth.  
9 The DSM is to control the growth rate of energy  
10 consumption, and that's what this table is that you  
11 asked me to prepare earlier today, does it as part  
12 of the growth, and you see the percentages changed  
13 dramatically. And I do have those other percentages  
14 for those other alternatives, if you'd like them  
15 now.

16 **COMMISSIONER ARGENZIANO:** Yes. That would  
17 be great, Mr. Chair.

18 **MR. BALLINGER:** Okay. I'm just going to  
19 give you the percentages for the two things. I  
20 think that's what you're interested in.

21 For the ETRC plus the residential top ten,  
22 for FPL it would be 12.6 percent, for Progress it  
23 would be 41 percent, for TECO it would be  
24 10 percent.

25 **COMMISSIONER ARGENZIANO:** Wait. You said

1 Progress 41 percent?

2 **MR. BALLINGER:** Yes, ma'am.

3 **COMMISSIONER ARGENZIANO:** And TECO?

4 **MR. BALLINGER:** TECO is 10 percent and  
5 Gulf is 15.5 percent.

6 And then if you went to the next  
7 alternative is ETRC plus the total top ten, for FPL  
8 it would be 19.3 percent, for Progress it would be  
9 48.5 percent, for TECO it would be 16.7 and for Gulf  
10 it would be 17.3.

11 **COMMISSIONER ARGENZIANO:** And then we are  
12 talking energy goals, growth.

13 **MR. BALLINGER:** Yes, ma'am. That's over  
14 the ten-year horizon.

15 **COMMISSIONER ARGENZIANO:** And you said,  
16 I'm sorry, and the last one was Gulf at 17.

17 **MR. BALLINGER:** .3.

18 **COMMISSIONER ARGENZIANO:** .3. Okay.

19 Thank you.

20 **CHAIRMAN CARTER:** Any, any further  
21 questions in our comment and question phase,  
22 Commissioners?

23 Okay. Let's see if we can craft  
24 something. Let's see if we can craft a motion that  
25 will encompass the will of the Commission. And,

1 let's see, who would like to jump out there and  
2 craft this nine-handled horse?

3 **COMMISSIONER ARGENZIANO:** Mr. Chair.

4 **CHAIRMAN CARTER:** Commissioner Argenziano,  
5 you're recognized.

6 **COMMISSIONER ARGENZIANO:** Could I just  
7 have a couple of minutes to look over these graphs?

8 **CHAIRMAN CARTER:** Why don't we do this,  
9 Commissioner? We'll come back at five after.

10 **COMMISSIONER ARGENZIANO:** Thank you.

11 (Recess taken.)

12 **CHAIRMAN CARTER:** We are back on the  
13 record. And, Commissioners, let me kind of give you  
14 the lay of the landscape. First, Commissioner  
15 Argenziano will make some comments, then I'll  
16 recognize Ms. Fleming to kind of tee up 9 and 10,  
17 and then I'll recognize Commissioner Skop to make  
18 the motion.

19 With that, Commissioner Argenziano, you  
20 are recognized.

21 **COMMISSIONER ARGENZIANO:** Thank you, Mr.  
22 Chairman, and I appreciate that. I just wanted to  
23 make a couple of comments that maybe could be  
24 thought about in a motion if my colleagues think it,  
25 think the same way. And if not, I understand.



1           I thought including the top residential,  
2 top ten residential accommodates the higher goals  
3 and that doesn't tie our hands so much as we had  
4 talked and Commissioner Skop had mentioned. It  
5 regains the energy savings from the programs within  
6 the two-year payback screen which screened out  
7 80 percent of the total savings, and I think it  
8 results in cross, minimal cross-subsidization and  
9 aligns with Witness Spellman's recommendations and  
10 leaves the options open for other possible,  
11 possibilities like low income programs, and I would  
12 hope that that could be incorporated into whatever  
13 motion is about to come into play.

14           **CHAIRMAN CARTER:** Thank you, Commissioner.

15           Ms. Fleming.

16           **MS. FLEMING:** Thank you, Commissioners.

17 Before the break the Commissioners had asked, you  
18 know, what would be the appropriate process for the  
19 voting, and staff would recommend that the  
20 Commissioners start with Issues 9 and 10 and come up  
21 with the proposed goals. And after voting on Issues  
22 9 and 10, we would ask that the Commission vote on  
23 Issue 11, which is the solar issue. And with that  
24 then we would ask for another break so that based on  
25 the Commission's vote on Issues 9, 10 and 11 staff

1 can come up with a road map for the remaining  
2 issues.

3 **CHAIRMAN CARTER:** Commissioners, everybody  
4 clear?

5 Okay. Commissioner Skop, you're  
6 recognized, sir, for a motion.

7 **COMMISSIONER SKOP:** Thank you, Mr.  
8 Chairman. With respect to Issues 9 and 10, I would  
9 modify the staff recommendation and in place of that  
10 adopt the goals for the ETRC plus the top ten  
11 residential. And that shall include but should not  
12 be limited to those top ten programs to the extent  
13 that the utilities will have the flexibility to  
14 submit other programs that are not limited by a  
15 two-year payback period, and I think that should  
16 embody the motion.

17 **CHAIRMAN CARTER:** Okay. And that covers 9  
18 and 10. A second? There's a motion.

19 **COMMISSIONER ARGENZIANO:** Second.

20 **CHAIRMAN CARTER:** Okay. Mr. Trapp, you're  
21 recognized before we go --

22 **MR. TRAPP:** Could I, could I ask for  
23 clarification just on one minor point of the motion?

24 **CHAIRMAN CARTER:** Absolutely.

25 **MR. TRAPP:** The purpose for today's

1 meeting is to set numerical goals, and I understand  
2 Commissioner Skop's motion to specifically include  
3 but not be limited to the top ten measures. I would  
4 ask that the Commission perhaps want to soften that  
5 a little bit and, and say consideration of the top  
6 ten measures. Because I think when you look through  
7 some of those measures that were included in the  
8 residential top ten, you have some programs like  
9 pool pumps and things in there. And I think  
10 judgment on that, a program that included pool pumps  
11 probably ought to come back to the Commission for  
12 consideration during programs.

13 So I'd take the number from the top ten as  
14 the goal, but not necessarily approve the measures  
15 at this time.

16 **COMMISSIONER SKOP:** Mr. Chair.

17 **CHAIRMAN CARTER:** Commissioner Skop.

18 **COMMISSIONER SKOP:** Thank you, Mr. Chair.

19 I'll withdraw my prior motion if Commissioner  
20 Argenziano will withdraw her second and then restate  
21 the motion.

22 **COMMISSIONER ARGENZIANO:** Yes. Withdrawn.

23 Uh-huh.

24 **CHAIRMAN CARTER:** Okay. Restate the  
25 motion. You're recognized.

1                   **COMMISSIONER SKOP:** Thank you, Mr. Chair.

2                   I'd like to move that we adopt the numeric  
3 goals for the ETRC plus the top ten residential,  
4 with the understanding that the top ten measures  
5 shall be considered but -- shall be considered but  
6 not limited -- or, okay. Let me, let me get back.  
7 I'm sorry. I had a lapse of -- an over 40 moment  
8 here.

9                   That we adopt the numeric goals for the  
10 ETRC plus the top ten residential, and those top  
11 ten measures shall be considered, but it shall not  
12 be limited to those specific measures identified  
13 within the staff recommendation.

14                   **CHAIRMAN CARTER:** Okay. A motion. Could  
15 we get a second?

16                   **COMMISSIONER ARGENZIANO:** Second.

17                   **CHAIRMAN CARTER:** Okay. Mr. Trapp, that  
18 encompasses all of the -- Mr., Mr. Ballinger.

19                   **MR. BALLINGER:** One clarification, if I  
20 may. The top ten residential, staff would then just  
21 add the values to the residential goal portion, not  
22 the commercial/industrial portion. Because we are,  
23 you've got Issues 9 and 10, which are residential  
24 and commercial.

25                   **COMMISSIONER SKOP:** Correct.

1                   **MR. BALLINGER:** Okay.

2                   **CHAIRMAN CARTER:** Okay. Everyone clear  
3 on -- Commissioner Edgar, you're recognized.

4                   **COMMISSIONER:** I do have a question.  
5 We've had good discussion today about I think all of  
6 our concerns, all of our desire to, to of course  
7 follow the direction of the statute, statutes, and  
8 to use our ability and authority to help craft good  
9 energy policy that is good for the environment and  
10 is a good value to consumers. We've talked about  
11 some of our concerns in particular to the ability  
12 for low income and middle income in particular to be  
13 able to take advantage of some of the programs to  
14 participate in energy efficiency for the overall  
15 goals and also of course for individual savings as  
16 well.

17                   One question I'm still trying to grapple  
18 with in my mind is as part of that but a more  
19 specific point is the potentially regressive nature  
20 of some of the costs and the -- which is a part of  
21 perhaps the inability of some of those low income or  
22 middle income residential in particular to be able  
23 to participate.

24                   So I guess if I could just ask how -- and  
25 I'm still trying to think it through -- how does the

1 motion, and on a go-forward basis when we're looking  
2 at programs in the next phase, how, how is that  
3 concern of mine and maybe others about the potential  
4 regressive nature of the subsidies and the costs  
5 addressed?

6 **CHAIRMAN CARTER:** Let me do this,  
7 Commissioner. Let me have staff to comment on that.  
8 Mr. Ballinger.

9 **MR. BALLINGER:** Well, I may not comment on  
10 that, but I need to point out one other thing that  
11 may clarify the motion for the Commission's  
12 consideration.

13 We did not have values of the top ten  
14 residential for FPUC, OUC and JEA. So I don't know  
15 if you want to modify the motion to only be for the  
16 four large IOUs which we have that information for.

17 **CHAIRMAN CARTER:** Commissioner Skop.

18 **COMMISSIONER SKOP:** A third try. Third  
19 try. Just I would restate the motion to adopt the  
20 ETRC plus the top ten residential for the four  
21 investor-owned utilities or the five -- is it the  
22 five or the four?

23 **COMMISSIONER EDGAR:** Four.

24 **COMMISSIONER SKOP:** It's the four.

25 **MR. BALLINGER:** It's -- we have the ETRC

1 for FPUC. I don't have the top ten residential or  
2 top ten total for them.

3 **COMMISSIONER SKOP:** Okay. That wasn't  
4 clear from the information I had before me. But  
5 anyway, so basically it would be, the motion would  
6 be to adopt the ETRC plus the top ten residential  
7 for the four major investor-owned utilities, and  
8 that the measures for the residential shall be  
9 considered but not limited to the measures  
10 articulated in Attachment 1.

11 **CHAIRMAN CARTER:** Motion. Second?

12 **COMMISSIONER ARGENZIANO:** Second.

13 **CHAIRMAN CARTER:** Okay. Mr. Ballinger.

14 **MR. BALLINGER:** Now the question from  
15 Commissioner Edgar, if you could restate it. I  
16 wasn't -- I thought you were talking to the other  
17 Commissioners, so I wasn't paying a whole lot of  
18 attention to it. I'm sorry.

19 **COMMISSIONER EDGAR:** And it was so  
20 eloquently stated, Mr. Ballinger. I'm sorry that  
21 you missed it.

22 Basically we've talked about a number of  
23 the policy -- goals is probably not the best word --  
24 but a number of the, once again, kind of competing  
25 policy aspects that we're trying to put forth.

1 We're trying to follow the direction of the statute.  
2 Of course we're trying to put forth good energy  
3 policy that is good for the environment but is also  
4 a good value for consumers, for ratepayers. We've  
5 talked about our concerns about particularly trying  
6 to use the goals and the programs that we ultimately  
7 approve so that low income and middle income may be  
8 able to take advantage, realizing that there are  
9 some barriers there obviously with the incentives  
10 still not covering the greater cost.

11 So my question is within the motion how do  
12 we address, if we do, the potential regressive  
13 nature of the costs and subsidies?

14 **MR. BALLINGER:** I think you would look at  
15 that when utilities do file their programs to look  
16 at individual programs. You can direct them to  
17 specifically highlight their low income efforts and  
18 programs, costs and benefits, things of that nature,  
19 and we can look at it then.

20 **CHAIRMAN CARTER:** Any further?

21 Commissioner Skop.

22 **COMMISSIONER SKOP:** Yes. Just to  
23 Commissioner Edgar's point. I'm trying to gain a  
24 better understanding with respect to regressive  
25 nature, if there's a little bit more to what that



1 implies or means so I can better address it.

2 **COMMISSIONER EDGAR:** And I don't know if  
3 there is an answer again. It's just a policy  
4 concern that I have and I think is probably  
5 encompassed in many of the concerns that have been  
6 raised.

7 But basically the fact that costs will be  
8 passed on primarily to all ratepayers, but the  
9 lesser ability of those low incomes to be able to  
10 take advantage of some of the programs and subsidies  
11 that are encompassed therein.

12 **COMMISSIONER SKOP:** Okay. I guess I'm  
13 trying to get a better handle on the term  
14 "regressive." I don't view it really as regressive  
15 to the extent that by having a wider variety of  
16 programs you might be able to have more  
17 participation throughout the general body of  
18 ratepayers as opposed to right now the entire body  
19 of ratepayers is paying for such programs but the  
20 subscription rate is not equally distributed  
21 throughout the class. So to me this proposal and  
22 having additional programs proposed might make it a  
23 little bit more equitable across the board to the  
24 extent that you'd have greater participation by a  
25 greater number of ratepayers than we currently have

1 in such a program. So I think it would probably be  
2 a little bit more equal opportunity as opposed to  
3 those programs only being taken advantage of by  
4 people that can avail themselves of being able to  
5 have the means to purchase new equipment or state of  
6 the art air conditioners or something like that. So  
7 I think the motion tries to embody Commissioner  
8 Argenziano's concerns as well as the concerns I had  
9 to have a little bit more flexibility for the  
10 Commission, and hopefully that's equally  
11 distributed.

12 **COMMISSIONER EDGAR:** And my hope is that  
13 that is and will be the case, but it is a concern I  
14 have. And I recognize that we can't address every  
15 single concern here today, but it is a concern I  
16 have and one that I would hope that we would have  
17 the opportunity to look at and consider carefully as  
18 we move forward.

19 **CHAIRMAN CARTER:** Thank you, Commissioner.  
20 Any further, any further comments? Any  
21 further questions? Any debate? We have a motion  
22 and a second. All in favor of the motion, let it be  
23 known by the sign of aye.

24 (Simultaneous vote.)

25 All those opposed, like sign.

1 Show it done.

2 Staff.

3 **MS. FLEMING:** Yes, Commissioners. It's my  
4 understanding that the motion related to the four  
5 big IOUs, FPL, Progress, TECO and Gulf, I think at  
6 this time staff would propose that the Commissioner  
7 consider, Commission consider setting goals for the  
8 remaining three utilities, for FPUC, OUC and JEA.

9 For FPUC, staff is recommending the ETRC.  
10 For OUC and JEA, staff is recommending the goals  
11 that were set forth on the October 15th agenda,  
12 which is to continue the plans that they currently  
13 have in place.

14 **CHAIRMAN CARTER:** Commissioner Skop.

15 **COMMISSIONER SKOP:** Thank you, Mr. Chair.  
16 Just a point of information to staff. With respect  
17 to the goals that we just set for the four major  
18 IOUs, being Progress, TECO, Gulf and FPL, the  
19 difference between those and the other utilities you  
20 just mentioned, if I understood staff correctly,  
21 it's because we don't have the residential programs  
22 due to the ETRC plus the top ten residential for  
23 those remaining entities and --

24 **MR. BALLINGER:** Correct.

25 **COMMISSIONER SKOP:** Okay. Does that

1 create any disparity between being fair across the  
2 board or do we have the inherent flexibility to, to  
3 set different goals? My preference would have been  
4 to set them across the board equal, but, again,  
5 apparently we don't have the data to do that.

6 **MR. BALLINGER:** Correct. You are limited  
7 by what's in the record. So I don't see a problem  
8 with a slight difference in treatment there.

9 **COMMISSIONER SKOP:** Okay. And in terms of  
10 the energy savings again for the smaller utility is  
11 it would be a little bit smaller goal than it would  
12 be from the ETRC plus the top ten residential, which  
13 we don't have in the record for those entities.

14 **MR. BALLINGER:** Correct.

15 **COMMISSIONER SKOP:** So -- okay. All  
16 right. So staff would recommend setting the goals  
17 of the ETRC; is that correct?

18 **MS. FLEMING:** Just for FPUC. With respect  
19 to, for OUC and JEA, they are municipalities, and  
20 that'll be further addressed in Issue 15.

21 Staff is recommending that the goals be  
22 set at their current programs that they're  
23 implementing. The Commission does not have  
24 ratemaking authority over OUC and JEA, and staff has  
25 concerns if we were to go beyond what they're

1 currently implementing that we may be crossing into  
2 dangerous territory.

3 **MR. BALLINGER:** And to note, if you look  
4 at Page 15 of the supplemental for JEA, even under  
5 the ETRC they propose a goal of zero, and that's why  
6 staff is for the two municipals saying continue your  
7 programs that you promised to do.

8 **COMMISSIONER SKOP:** Okay. All right. So  
9 then I guess in summation for FPUC staff recommends  
10 the ETRC goals and for the two municipals basically  
11 continue with the existing programs. Is that --

12 **MR. BALLINGER:** Correct.

13 **COMMISSIONER SKOP:** Okay. All right.  
14 Mr. Chair, if there's --

15 **CHAIRMAN CARTER:** You're recognized.

16 **COMMISSIONER SKOP:** Thank you. If there's  
17 no further questions, I'd move to adopt the ETCR  
18 (sic.), ETCR goals --

19 (Simultaneous conversation.)

20 **CHAIRMAN CARTER:** Your microphone is on.  
21 Tom, your microphone is on. Thank you.

22 Commissioner Skop.

23 **COMMISSIONER SKOP:** Thank you, Mr. Chair.  
24 If there are no further questions, I'd move to adopt  
25 the ETRC numeric goals for FPUC, and also embody

1 within that motion that the conservation goals for  
2 the municipals JEA and OUC remain the same, they  
3 continue to do their existing programs.

4 **CHAIRMAN CARTER:** We have a motion. Do we  
5 have a second?

6 **COMMISSIONER EDGAR:** Second.

7 **CHAIRMAN CARTER:** Moved and seconded,  
8 Commissioners. Any questions? No questions. Any  
9 debate? Hearing none, all in favor of the motion,  
10 let it be known by the sign of aye.

11 (Simultaneous vote.)

12 All those opposed, like sign.

13 Show it done.

14 Staff, you're recognized.

15 **MR. BALLINGER:** I think that takes us to  
16 Issue 11.

17 **CHAIRMAN CARTER:** You're recognized to  
18 present it.

19 **MR. BALLINGER:** Issue 11 was an issue  
20 brought up about whether there should be separate  
21 goals for solar programs, solar photovoltaic and  
22 solar water heating. Staff has recommended to add  
23 an additional 5 percent of the historic ECCR costs  
24 to be used as pilot programs for those types of  
25 measures.

1                   **CHAIRMAN CARTER:** Commissioners?

2                   Commissioner Skop, you're recognized.

3                   **COMMISSIONER SKOP:** Thank you, Mr.

4                   Chairman.

5                   I think this is again one of the bright  
6                   points of the prior staff recommendation, as I  
7                   previously stated. I think it's innovative thinking  
8                   on staff's part, encourages the adoption of solar PV  
9                   and solar thermal distributed generation at the  
10                  residential level. So I am definitely in support of  
11                  Issue 11.

12                  I think the concern or question I would  
13                  have is what funding level would be appropriate,  
14                  whether it be the 5 percent or the 10 percent at the  
15                  higher level that Witness Spellman basically took a  
16                  look at. The differential between that is -- I  
17                  think I did a rough calculation -- and offering  
18                  rebates at the same level as currently offered by  
19                  the state, under the 5 percent it would encourage  
20                  the adoption of approximately 3 megawatts of solar  
21                  PV on an annual basis within the State of Florida.  
22                  Doing a 10 percent would obviously double that to  
23                  6 megawatts per year on an annual basis. So I do  
24                  think there are some merits there.

25                  The rate impact is there, it's not overly

1 substantial. But if you look at doing it in this  
2 manner, again, as a, as a rebate or incentive, it's  
3 just a mere fraction of the total cost of, of the  
4 solar PV or solar thermal units. Being able to have  
5 consumers avail themselves of any other benefits,  
6 whether they be tax incentives or such is also an  
7 added bonus, as well as other state incentives.

8 But, again, I think the focal point for  
9 discussion is do we start slow and adopt the staff  
10 recommendation at 5 percent or try and do a little  
11 bit more aggressive 10 percent? But any way you cut  
12 it seems to be good value for, for encouraging  
13 solar. You're getting a lot of bang for the buck  
14 out of this.

15 **CHAIRMAN CARTER:** Thank you.

16 Commissioner Argenziano, you're  
17 recognized.

18 **COMMISSIONER ARGENZIANO:** I agree with  
19 that also. And I've heard a lot of people, as I  
20 know you have, all have also, on where they'd like  
21 to go in energy, renewable energy, those who are  
22 interested in renewable energies and shifting gears.  
23 What I'd like to know is what are the ramifications  
24 from the 5 percent to the 10 percent? Because I  
25 like the 10 percent, and I'd just like to know what



1 that means.

2 **CHAIRMAN CARTER:** Okay. Staff, you're  
3 recognized.

4 **MS. HARLOW:** Commissioner, I think you  
5 could look at the ramifications from two different  
6 ways. One would be how much does that money buy me  
7 in capacity or in solar thermal? And the other way  
8 would be to look at it from a rate impact point of  
9 view.

10 **COMMISSIONER ARGENZIANO:** That's the one  
11 I'm interested in.

12 **MS. HARLOW:** And if you'll look on Page 7  
13 of your revised recommendation, and we included this  
14 in the original recommendation as well, it's the  
15 same table, you'll see the rate impact of the two  
16 proposals that you're discussing. The 5 percent is  
17 on the far right of the table and the 10 percent is  
18 the third column in the table.

19 And you'll see from a rate impact point of  
20 view a 5 percent suggestion such as the staff  
21 recommendation results in a rate impact of from 4  
22 cents to 10 cents per month for a typical  
23 residential customer in Florida. A typical  
24 residential customer in Florida uses approximately  
25 1,200 kilowatt hours per month. That's how we

1 calculated that. And of course 10 percent would  
2 double that rate impact.

3 **COMMISSIONER ARGENZIANO:** So, Mr. Chair.

4 **CHAIRMAN CARTER:** You're recognized.

5 **COMMISSIONER ARGENZIANO:** So doubling it  
6 and going to the 10 percent would double it to about  
7 20 cents per month on a typical bill?

8 **MS. HARLOW:** That would be the highest  
9 rate impact. Yes, ma'am. That's correct.

10 **MR. FUTRELL:** Commissioner, that's for  
11 Progress, just to clarify. That 20, approximately  
12 19 cents is just for Progress.

13 **COMMISSIONER ARGENZIANO:** Okay. Are they  
14 comparable for the other companies or do we need to  
15 go through the list? Because instead of me digging  
16 for it and then by the time I get to it you're  
17 already finished speaking, I don't want to do that.  
18 Can we, can we just go through the list or are they  
19 comparable?

20 **MR. FUTRELL:** The tables shown there on  
21 that, on Page 7, it ranges from -- for the  
22 10 percent it ranges from 7 cents for Florida Public  
23 Utilities all the way up to 19 cents for Progress  
24 Energy.

25 **CHAIRMAN CARTER:** Just give the list. Go

1 down the list, Mark.

2 **MR. FUTRELL:** Sure. FPL is 18 cents, Gulf  
3 Power is 9 cents, Progress is 19, Tampa Electric is  
4 10 cents and FPUC is 7 cents.

5 **COMMISSIONER ARGENZIANO:** Okay. So for  
6 the highest amount there, then the 19 cents, we'd  
7 get 10 percent. I'd shoot for 10 percent. I think  
8 it's a minimal amount and it moves us 50 percent  
9 farther and I think it's a good thing to do.

10 **CHAIRMAN CARTER:** I think that's a good  
11 thing for the Sunshine State to push solar. Even --  
12 this is not related, but even when we did our RPS  
13 rule we had a carve-out for solar.

14 **COMMISSIONER ARGENZIANO:** Absolutely.

15 **CHAIRMAN CARTER:** And it's necessary to do  
16 that. If we want to promote solar in the state,  
17 we're going to have to do things like that. So I  
18 think the 10 percent would work as well.

19 Commissioner Skop, you're recognized.

20 **COMMISSIONER SKOP:** Thank you, Mr. Chair.

21 And, again, as I stated before, you had  
22 mentioned the RPS in the alternate proposal. I  
23 think this is pretty analogous to what I was using,  
24 trying to use 5 percent of that 2 percent cap to  
25 offer solar rebates, and this is a different

1 obviously item and a different program, but I think  
2 it accomplishes effectively the same thing in a  
3 smaller scale manner, but still one that can make a  
4 difference. I mean, adding 6 megawatts of  
5 distributed solar PV on an annual basis is  
6 cumulative. Over ten years it's 60 megawatts. So,  
7 and you're, again, not having a whole lot of rate  
8 impact there. And, again, I would distinguish this  
9 to the extent that this is incentives; whereas,  
10 doing it the other way you need to have some  
11 understanding of levelized costs. Here you're just  
12 piggybacking off established rebates. So, again, I  
13 think it's a good thing and I'll yield to other  
14 questions. If none, I'll make the motion.

15 **CHAIRMAN CARTER:** I'll come back to you  
16 for the motion, Commissioner. Thank you.

17 Commissioners, any further discussion?  
18 Any further comments?

19 Commissioner Skop, you're recognized for a  
20 motion, sir.

21 **COMMISSIONER SKOP:** Thank you, Mr.  
22 Chairman.

23 With respect to Issue 11, I would move  
24 that in lieu of the staff recommendation of  
25 5 percent we adopt the 10 percent criteria as

1 proposed by Witness Spellman.

2 **CHAIRMAN CARTER:** Motion. Can we get a  
3 second?

4 **COMMISSIONER ARGENZIANO:** Second.

5 **CHAIRMAN CARTER:** Commissioners, it's been  
6 moved and properly seconded. Are there any  
7 questions? Any concerns? Any debate? Hearing  
8 none, all in favor, let it be known by the sign of  
9 aye.

10 (Simultaneous vote.)

11 All those opposed, like sign.

12 Show it done.

13 Staff, you're recognized.

14 **MS. FLEMING:** Commissioners, at this time  
15 staff would recommend that we take a short break so  
16 that we can come up with a road map as to how the  
17 Commissioners should vote on the remaining issues.

18 **CHAIRMAN CARTER:** Okay. Let's do this,  
19 Commissioners -- how much time? 15 minutes maybe?  
20 Could you do it in 15?

21 **MS. FLEMING:** Yes.

22 **CHAIRMAN CARTER:** Okay. 15 PSC minutes.  
23 We're on a break.

24 (Recess taken.)

25 **CHAIRMAN CARTER:** We are back on the

1 record.

2 And when we last left, Commissioners, we  
3 gave staff an opportunity, based upon our prior  
4 votes of Items 9, 10, and 11, to come back to us  
5 with some numbers that they have just finished  
6 crunching.

7 Staff, you're recognized.

8 **MR. BALLINGER:** Thank you, Commissioner.

9 We really don't have any other numbers,  
10 it's just to kind of lead you through the rest of  
11 the issues based on your vote on the goals to give  
12 you a recommendation that would be consistent, now  
13 with your vote on the goals.

14 **CHAIRMAN CARTER:** Okay. Let's roll.

15 **MR. BALLINGER:** Issue 1 deals with did the  
16 companies provide an adequate assessment of the  
17 technical potential, and staff has recommended yes.  
18 We think you could still approve staff  
19 recommendation on the technical potential and be  
20 consistent with your vote on the goals.

21 **CHAIRMAN CARTER:** Commissioners, any  
22 question on Issue 1?

23 Commissioner Skop, you're recognized for a  
24 motion, sir.

25 **COMMISSIONER SKOP:** Thank you, Mr. Chair.

1 I'd move to approve staff recommendation  
2 on Issue 1.

3 **CHAIRMAN CARTER:** Is there a second?

4 **COMMISSIONER EDGAR:** Second.

5 **CHAIRMAN CARTER:** It has been moved and  
6 properly seconded. Commissioners, any questions on  
7 Issue 1? Any concerns? Any debate?

8 Hearing none, all in favor, let it be  
9 known by the sign of aye.

10 (Simultaneous vote.)

11 **CHAIRMAN CARTER:** All those opposed, like  
12 sign. Show it done.

13 Staff, you're recognized.

14 **MR. FUTRELL:** Mr. Chairman, Issue 2 is  
15 about the adequate assessment of the achievable  
16 potential of the measurements analyzed. Staff  
17 believes the recommendation is yes, an adequate  
18 assessment was performed. However, as identified in  
19 Commissioner Skop's motion on Issues 9 and 10, a  
20 concern was expressed about the treatment of the  
21 measures that were screened out through the free  
22 rider two-year pay back screen, and we just  
23 recognized that that concern was reflected in the  
24 goals that you have established in 9 and 10 and the  
25 direction that was given in 9 and 10.

1                   **CHAIRMAN CARTER:** Commissioner Skop for a  
2 motion.

3                   **COMMISSIONER SKOP:** Thank you, Mr.  
4 Chairman.

5                   I will move to approve the staff  
6 recommendation on Issue 2 embodying the discussion  
7 by the Commission.

8                   **COMMISSIONER EDGAR:** Second.

9                   **CHAIRMAN CARTER:** A motion and a second,  
10 Commissioners. Any questions? Any concerns? Any  
11 debate?

12                   Hearing none, all in favor, let it be  
13 known by the sign of aye.

14                   (Simultaneous vote.)

15                   **CHAIRMAN CARTER:** All those opposed, like  
16 sign. Show it done.

17                   Staff.

18                   **MR. BALLINGER:** Issue 3. Again, you could  
19 vote and approve the staff recommendation and still  
20 saying yes. The Participant test is the correct  
21 test to use to reflect the cost and benefits to  
22 participating customers.

23                   **CHAIRMAN CARTER:** Questions from the  
24 bench.

25                   Commissioner Skop, you're recognized.



1                   **COMMISSIONER SKOP:** Thank you, Mr. Chair.  
2                   To staff, as far as the Participant test,  
3 that will not be construed in any way, it is your  
4 understanding, to limit the ability to apply other  
5 tests, such as the TRC test to evaluate any given  
6 project, is that correct?

7                   **MR. BALLINGER:** No, sir. The statute  
8 broke it out in two parts. One part was specific to  
9 the participating customers only. Issue 4 goes to  
10 the other test.

11                   **COMMISSIONER SKOP:** Very well.

12                   **CHAIRMAN CARTER:** Okay. Any further  
13 questions on that?

14                   Commissioner Skop, you're recognized for a  
15 motion.

16                   **COMMISSIONER SKOP:** Thank you, Mr. Chair.  
17 I move to approve staff recommendation as to Issue  
18 3.

19                   **COMMISSIONER EDGAR:** Second.

20                   **CHAIRMAN CARTER:** Motion and a second.  
21 Any questions? Any concerns? Any debate?

22                   Hearing none, all in favor, let it be  
23 known by the sign of aye.

24                   (Simultaneous vote.)

25                   **CHAIRMAN CARTER:** All those opposed, like

1 sign. Show it done.

2 Staff, you're recognized.

3 **MR. BALLINGER:** Thank you.

4 Issue 4 goes to the second prong, if you  
5 will, to costs and benefits to ratepayers as a  
6 whole. Staff has recommended that all three tests,  
7 really, should be used in evaluating it. I think  
8 you can still go along with that recommendation and  
9 just saying that particular weight was given to the  
10 E-TRC test in setting your goals in Issues 9 and 10.

11 **CHAIRMAN CARTER:** Commissioner Skop for a  
12 question.

13 **COMMISSIONER SKOP:** No questions.

14 **CHAIRMAN CARTER:** Are you comfortable with  
15 that?

16 Commissioner Skop, you're recognized for a  
17 motion.

18 **COMMISSIONER SKOP:** Thank you, Mr. Chair.

19 I move to approve the staff recommendation  
20 as to Issue 4 embodying the discussion by the  
21 Commission.

22 **CHAIRMAN CARTER:** Motion. Is there a  
23 second?

24 **COMMISSIONER EDGAR:** Second.

25 **CHAIRMAN CARTER:** Moved and properly

1 seconded. Any questions? Any concerns? Any  
2 debate?

3 Hearing none, all in favor let it be known  
4 by the sign of aye.

5 (Simultaneous vote.)

6 **CHAIRMAN CARTER:** All those opposed, like  
7 sign. Show it done.

8 Staff.

9 **MR. BALLINGER:** Issue 5 dealt with another  
10 requirement of the statute of the regulation on  
11 greenhouse gases. Staff originally recommended no,  
12 that the companies' goals did not reflect it because  
13 of the disparate treatment of carbon costs. I think  
14 with your vote on Issues 9 and 10 where you adopted  
15 the E-TRC where you included the costs of carbon you  
16 would make a motion to deny staff on Issue 5.

17 **CHAIRMAN CARTER:** Commissioner Skop.

18 **COMMISSIONER SKOP:** Mr. Chair, I would  
19 move to deny the staff recommendation as to Issue 5.

20 **COMMISSIONER ARGENZIANO:** Second.

21 **CHAIRMAN CARTER:** Motion and a second.

22 Any questions? Any concerns? Any debate?

23 Hearing none, all it favor, let it be  
24 known by the sign of aye.

25 (Simultaneous vote.)

1           **CHAIRMAN CARTER:** All those opposed, like  
2 sign. Show it done.

3           Staff, you're recognized.

4           **MR. BALLINGER:** Issue 6 was whether they  
5 should do incentives for customer-owned -- special  
6 incentives for utilities. And staff is  
7 recommending, no, not at this time, that we can do  
8 this at a separate proceeding, which was pretty much  
9 agreed to by all the parties. So I think you could  
10 still approve staff recommendation on Issue 6.

11           **CHAIRMAN CARTER:** Commissioner Skop.

12           **COMMISSIONER SKOP:** Thank you, Mr. Chair.  
13 Move to approve staff recommendation as to Issue 6.

14           **CHAIRMAN CARTER:** Is there a second?

15           **COMMISSIONER EDGAR:** Second.

16           **CHAIRMAN CARTER:** Motion and a second.  
17 Any concerns? Any debate? Hearing none, all in  
18 favor, let it be known by the sign of aye.

19           (Simultaneous vote.)

20           **CHAIRMAN CARTER:** All those opposed, like  
21 sign. Show it done.

22           Staff, you're recognized.

23           **MR. BALLINGER:** I think the same would  
24 give rise to Issue 7 where it says the impact on  
25 rates. I think the Commission always considers the

1 impact on rates when setting goals.

2 **CHAIRMAN CARTER:** And I think that was  
3 embodied in our discussion before, is that correct?

4 **MR. BALLINGER:** Yes.

5 **CHAIRMAN CARTER:** Commissioners, any  
6 questions before I ask for a motion? Commissioner  
7 Skop for a motion.

8 **COMMISSIONER SKOP:** Thank you, Mr. Chair.

9 I move to approve staff recommendation for  
10 Issue 7.

11 **COMMISSIONER EDGAR:** Second.

12 **CHAIRMAN CARTER:** Moved and seconded. Are  
13 there any questions? Any concerns? Any debate?  
14 Hearing none, all in favor, let it be known by the  
15 sign of aye?

16 (Simultaneous vote.)

17 **CHAIRMAN CARTER:** All those opposed, like  
18 sign. Show it done.

19 Staff.

20 **MR. BALLINGER:** Issue 8 is consumed in  
21 Issue 4, which your previous vote was that, yes, all  
22 three tests should be used with specific weight on  
23 the E-TRC test.

24 **CHAIRMAN CARTER:** Commissioner Skop.

25 **COMMISSIONER SKOP:** A question to staff.

1           **CHAIRMAN CARTER:** You're recognized.

2           **COMMISSIONER SKOP:** Thank you, Mr. Chair.  
3 Issue 8 has been subsumed in Issue 4?

4           **MR. BALLINGER:** Yes.

5           **COMMISSIONER SKOP:** Okay. So do we not  
6 need to vote on it?

7           **MR. BALLINGER:** You have already voted on  
8 it.

9           **CHAIRMAN CARTER:** So we don't need to do  
10 any -- no action on Issue 8? It becomes moot, is  
11 that correct?

12           **MR. BALLINGER:** Well, our recommendation  
13 said see the discussion in Issue 4, but I think your  
14 vote in Issue 4 would cover Issue 8, as well.

15           **CHAIRMAN CARTER:** Okay. Let's proceed  
16 further.

17           **MR. BALLINGER:** Issue 9 is a --

18           **CHAIRMAN CARTER:** We did 9 and 10, and 11.

19           **MR. BALLINGER:** And 11, so on to Issue 12,  
20 which is a discretionary issue of the Commission.  
21 You really don't have to vote on it. It is not  
22 required by the statute, so I will leave it to your  
23 pleasure. I mean, staff has recommended, no, you  
24 don't need to set separate goals for supply-side  
25 efficiency improvements.

1           **CHAIRMAN CARTER:** Commissioner Skop.

2           **COMMISSIONER SKOP:** Thank you, Mr. Chair.

3 I move to approve the staff recommendation on Issue  
4 12.

5           **COMMISSIONER EDGAR:** Second.

6           **CHAIRMAN CARTER:** There is a motion and a  
7 second. Commissioners, any questions? Any  
8 comments? Any concerns? Any debate? Hearing none,  
9 all in favor, let it be known by the sign of aye.

10                   (Simultaneous vote.)

11           **CHAIRMAN CARTER:** All those opposed, like  
12 sign. Show it done.

13                   Staff, you're recognized.

14           **MR. BALLINGER:** Again, Issue 13 is  
15 discretionary, as well. You could adopt staff  
16 recommendation and still be consistent with the  
17 goals that you set in 9 and 10.

18           **CHAIRMAN CARTER:** Commissioner Skop,  
19 you're recognized for a motion.

20           **COMMISSIONER SKOP:** Thank you, Mr. Chair.

21 I move to approve the staff recommendation  
22 on Issue 13.

23           **COMMISSIONER EDGAR:** Second.

24           **CHAIRMAN CARTER:** Motion and a second.  
25 Commissioners, any questions? Any concerns? Any

1 debate? Hearing none, all in favor, let it be known  
2 by the sign of aye.

3 (Simultaneous vote.)

4 **CHAIRMAN CARTER:** All those opposed, like  
5 sign. Show it done.

6 Staff.

7 **MR. BALLINGER:** And that would be same for  
8 Issue 14. It is a discretionary issue and you could  
9 approve staff recommendation and be consistent with  
10 your votes on Issues 9 and 10.

11 **CHAIRMAN CARTER:** Commissioner Skop for a  
12 motion.

13 **COMMISSIONER SKOP:** Thank you, Mr. Chair.  
14 I move to approve staff recommendation on  
15 Issue 14.

16 **COMMISSIONER EDGAR:** Second.

17 **CHAIRMAN CARTER:** Moved and properly  
18 seconded. Are there any questions, Commissioners?  
19 Any comments? Any concerns? Any debate?

20 Hearing none, all in favor, let it be  
21 known by the sign of aye.

22 (Simultaneous aye.)

23 **CHAIRMAN CARTER:** All those opposed, like  
24 sign. Show it done.

25 Staff.



1                   **MS. FLEMING:** Commissioners, Issue 15  
2 addresses that since the Commission has no  
3 rate-setting authority over OUC and JEA, can the  
4 Commission establish goals that puts upward pressure  
5 on rates. The issue itself identifies that JEA and  
6 OUC do fall within the Commission's jurisdiction to  
7 set goals. Based on the Commission's vote on Issues  
8 9 and 10, the Commission is not imposing any  
9 additional goals that would impose upward pressure  
10 on rates. So in staff's recommendation, we  
11 recommend that it would be approved consistent with  
12 the Commission's vote on Issues 9 and 10.

13                   **CHAIRMAN CARTER:** Commissioner Argenziano.

14                   **COMMISSIONER ARGENZIANO:** Okay. What I  
15 want is a clarification of jurisdiction and  
16 regulation. What's the difference?

17                   **MS. FLEMING:** Did I misspeak, I'm sorry.

18                   **COMMISSIONER ARGENZIANO:** No, you  
19 indicated that we had jurisdiction under the setting  
20 of the goals.

21                   **MS. FLEMING:** Well, under 366.82, the  
22 Commission is directed to set goals with respect to  
23 energy conservation goals, and under 366.82(1)(a),  
24 it states that a utility is any person or entity  
25 which provides electric utility, electricity or

1 natural gas, specifically including municipalities  
2 or instrumentalities. OUC and JEA are clearly  
3 contemplated by 366.82 to fall within the  
4 Commission's jurisdiction to set goals for those  
5 utilities.

6 **COMMISSIONER ARGENZIANO:** To set goals,  
7 but not to implement any type of rate impact.

8 **MS. FLEMING:** That is correct.

9 **COMMISSIONER ARGENZIANO:** As indicated  
10 before, we don't regulate them, so they really don't  
11 have to do anything, is that correct?

12 **MS. FLEMING:** That is correct.

13 **CHAIRMAN CARTER:** Pretty much.

14 **COMMISSIONER ARGENZIANO:** All right.

15 Thank you.

16 **CHAIRMAN CARTER:** Commissioners, any  
17 further questions?

18 Commissioner Skop, you're recognized for a  
19 motion.

20 **COMMISSIONER SKOP:** Thank you, Mr. Chair.  
21 I would move to approve staff  
22 recommendation for Issue 15 with the understanding  
23 that we merely have adopted goals that are  
24 consistent with OUC and JEA's own established goals.

25 **COMMISSIONER EDGAR:** Second.

1                   **CHAIRMAN CARTER:** A motion and a second.

2                   Commissioners, any questions?

3                   **COMMISSIONER ARGENZIANO:** Is that  
4                   voluntary?

5                   **CHAIRMAN CARTER:** Mary Anne, you're  
6                   recognized.

7                   **MS. HELTON:** This is a little bit  
8                   difficult. The Legislature did give us jurisdiction  
9                   to set goals, but we don't have rate-setting  
10                  authority for utilities. So I think what staff has  
11                  done here is taken the best of both worlds, but I do  
12                  feel uncomfortable saying that we don't have  
13                  jurisdiction to set goals.

14                  **COMMISSIONER ARGENZIANO:** And that is not  
15                  what we said, Mr. Chair. We don't regulate  
16                  municipals. We don't regulate them, and that's what  
17                  I'm getting at. We have no regulatory authority in  
18                  rate settings for any municipals.

19                  **MS. HELTON:** That is correct.

20                  **COMMISSIONER ARGENZIANO:** And by this vote  
21                  today, I don't believe -- and this is what, I guess,  
22                  what I'm getting at is that they have to follow  
23                  anything that we say.

24                  **MS. HELTON:** Well, as Ms. -- I can't  
25                  remember if it was Mr. Ballinger or Ms. Fleming said

1 that the penalty statute does not apply to the  
2 municipals.

3 **COMMISSIONER ARGENZIANO:** Because we don't  
4 regulate them. Thank you.

5 **CHAIRMAN CARTER:** It's okay, Mary Anne.  
6 We got it.

7 **MS. HELTON:** Okay.

8 **CHAIRMAN CARTER:** Commissioner Skop,  
9 you're recognized for a motion.

10 **COMMISSIONER SKOP:** Thank you, Mr. Chair.

11 I will just restate the prior motion. I  
12 move to approve staff recommendation as to Issue 15  
13 with the understanding that we are merely adopting  
14 the goals that have already been adopted by OUC and  
15 JEA and the adoption of such goals does not apply  
16 any rate impact on their customers.

17 **CHAIRMAN CARTER:** And that is what we got  
18 from the presentation earlier, and that's consistent  
19 with what staff has said earlier. Is there a  
20 second?

21 **COMMISSIONER EDGAR:** Second.

22 **CHAIRMAN CARTER:** Motion and a second.  
23 Any questions, Commissioners? Any concerns? Any  
24 debate?

25 Hearing none, all in favor, let it be

1 known by the sign of aye.

2 (Simultaneous vote.)

3 **CHAIRMAN CARTER:** All those opposed, like  
4 sign. Show it done.

5 I think we have got one more issue. Is  
6 that right, staff?

7 **MR. BALLINGER:** Yes. That is just to  
8 close the docket.

9 **MS. FLEMING:** Issue 16, the close the  
10 docket issue. We would suggest that these dockets  
11 can be closed after the time for filing an appeal  
12 has run. We would note that within 90 days of the  
13 final order issued in this docket, though, the  
14 utilities do need to file their program  
15 implementations, their programs to implement the  
16 proposed goals that the Commission has voted today.

17 **CHAIRMAN CARTER:** Okay. Commissioners,  
18 any questions?

19 Commissioner Skop, you're recognized for a  
20 motion.

21 **COMMISSIONER SKOP:** Thank you, Mr. Chair.  
22 I move to approve staff recommendation on  
23 Issue 16.

24 **COMMISSIONER EDGAR:** Second.

25 **CHAIRMAN CARTER:** A motion and a second.

1 Any questions, Commissioners? Any concern? Any  
2 debate?

3 All in favor of the motion, let it be  
4 known by the sign of aye.

5 (Simultaneous vote.)

6 **CHAIRMAN CARTER:** All those opposed, like  
7 sign. Show it done.

8 Thank you, Commissioners. Thank you,  
9 staff.

10 \* \* \* \* \*

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25



STATE OF FLORIDA     )  
  :     CERTIFICATE OF REPORTERS  
COUNTY OF LEON     )

WE, JANE FAUROT, RPR, and LINDA BOLES, RPR, CRR, Official Commission Reporters, do hereby certify that the foregoing proceeding was heard at the time and place herein stated.

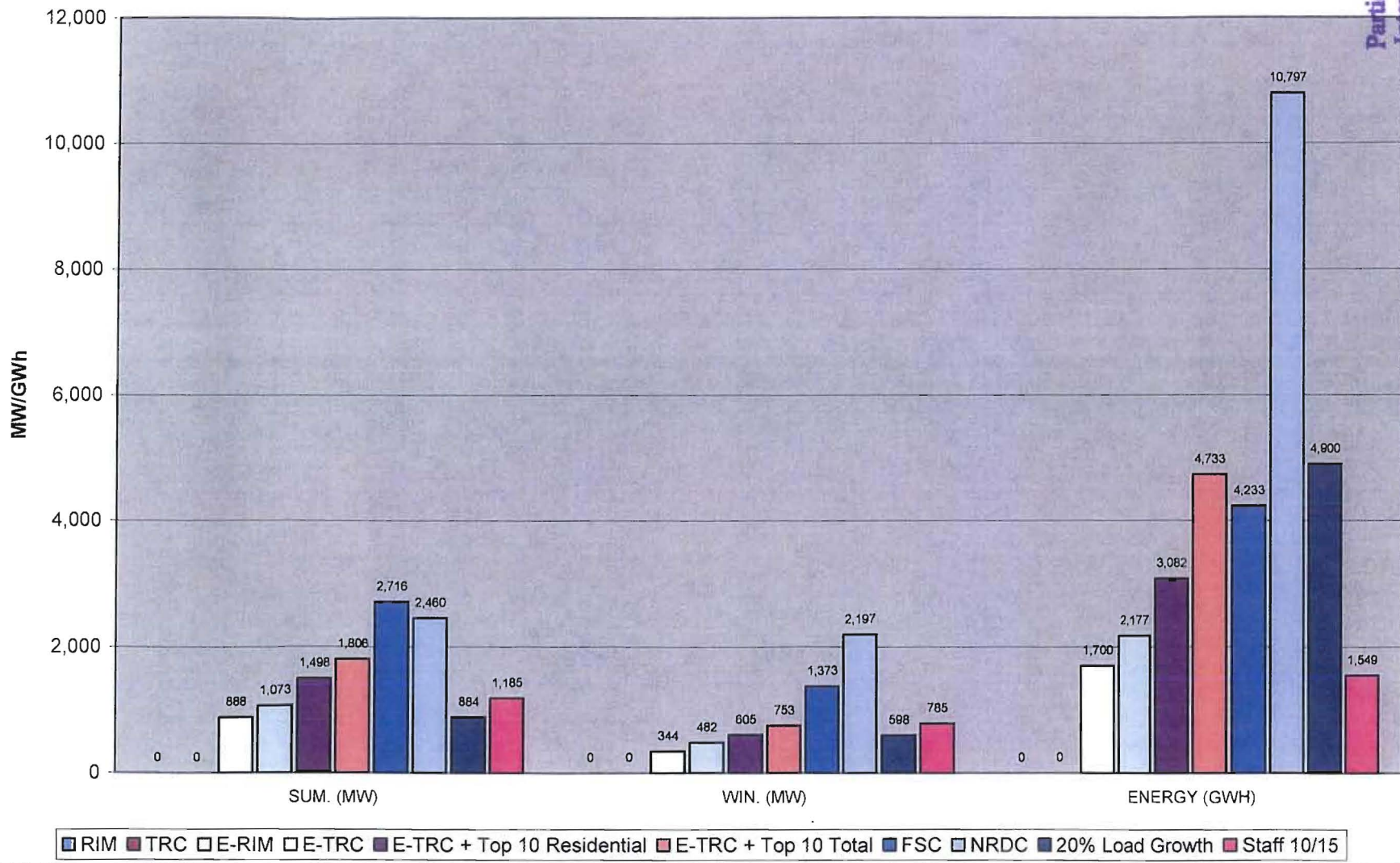
IT IS FURTHER CERTIFIED that we stenographically reported the said proceedings; that the same has been transcribed under our direct supervision; and that this transcript constitutes a true transcription of our notes of said proceedings.

WE FURTHER CERTIFY that we are not a relative, employee, attorney or counsel of any of the parties, nor are we a relative or employee of any of the parties' attorneys or counsel connected with the action, nor are we financially interested in the action.

DATED THIS 7th DAY OF DECEMBER, 2009.

|   |  |  |  |
|---|--|--|--|
|  |  |  |  |
| _____<br>JANE FAUROT, RPR<br>Commission Reporter<br>(850) 413-6732                  |  | _____<br>LINDA BOLES, RPR, CRR<br>Commission Reporter<br>(850) 413-6734              |  |

# DSM Goal Alternatives - FPL



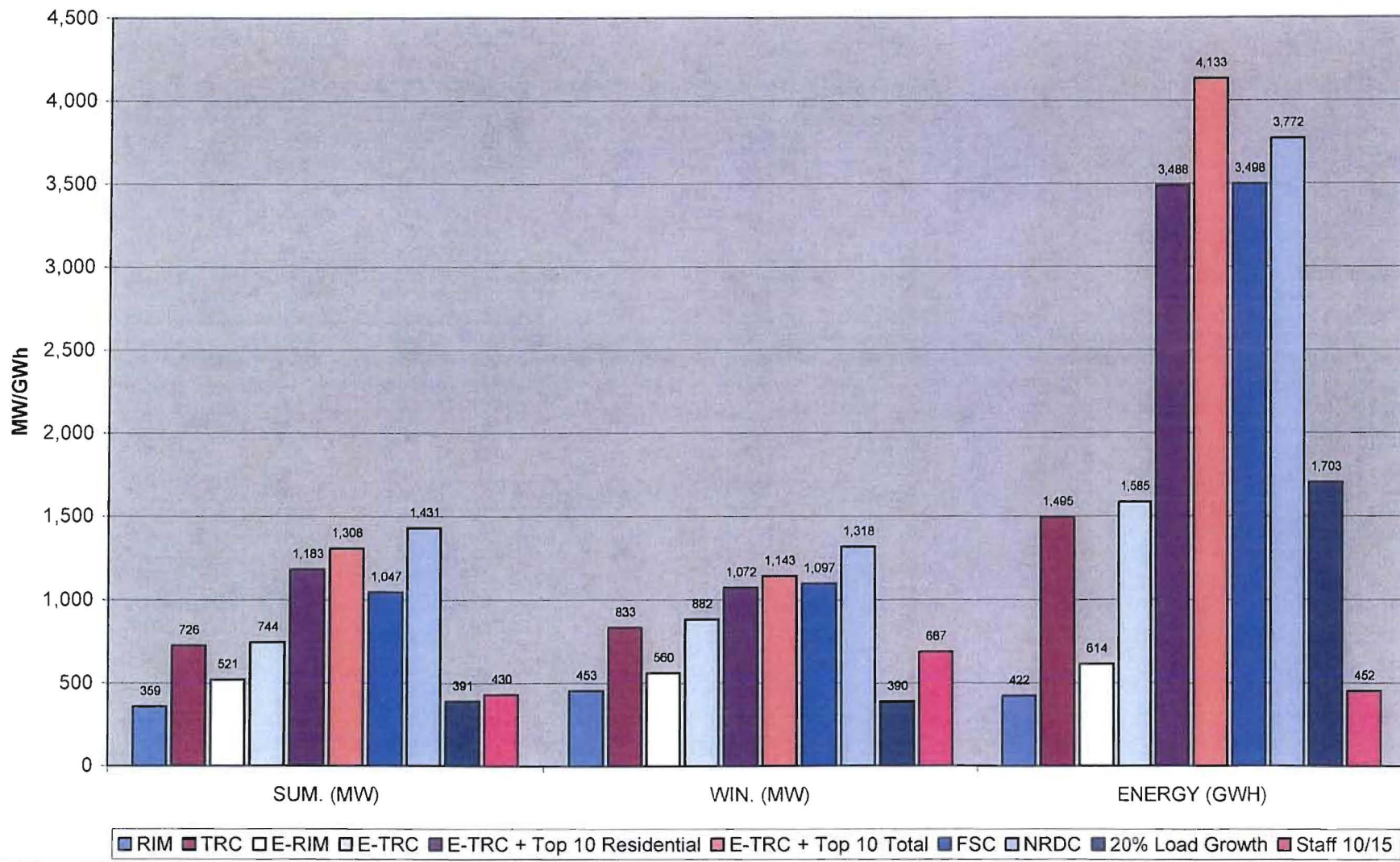
Parties Staff Handout  
Internal Affairs Agenda

on 12/1/09  
Item No. 12

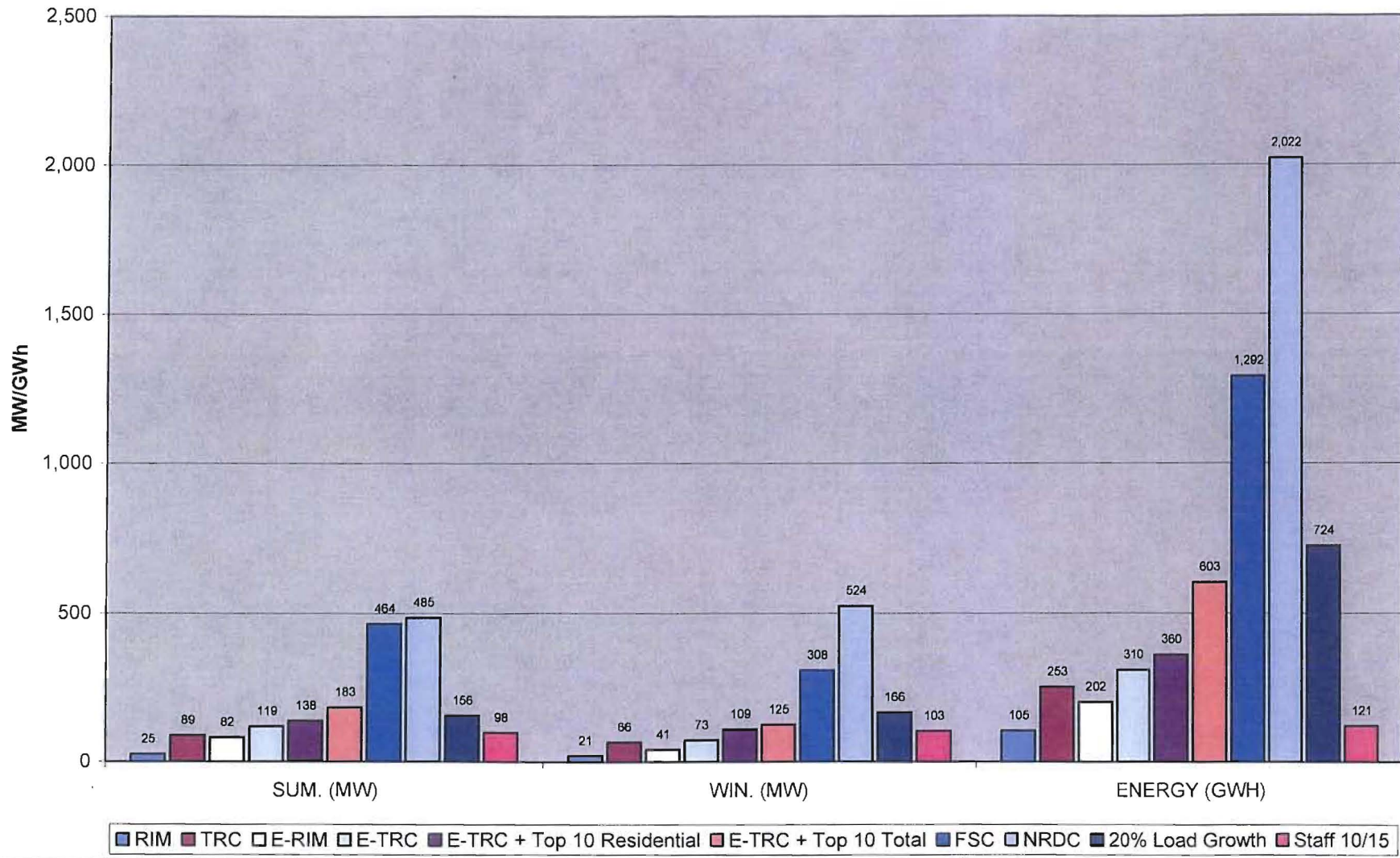
080407-EG thru 080413-EG  
11777-09



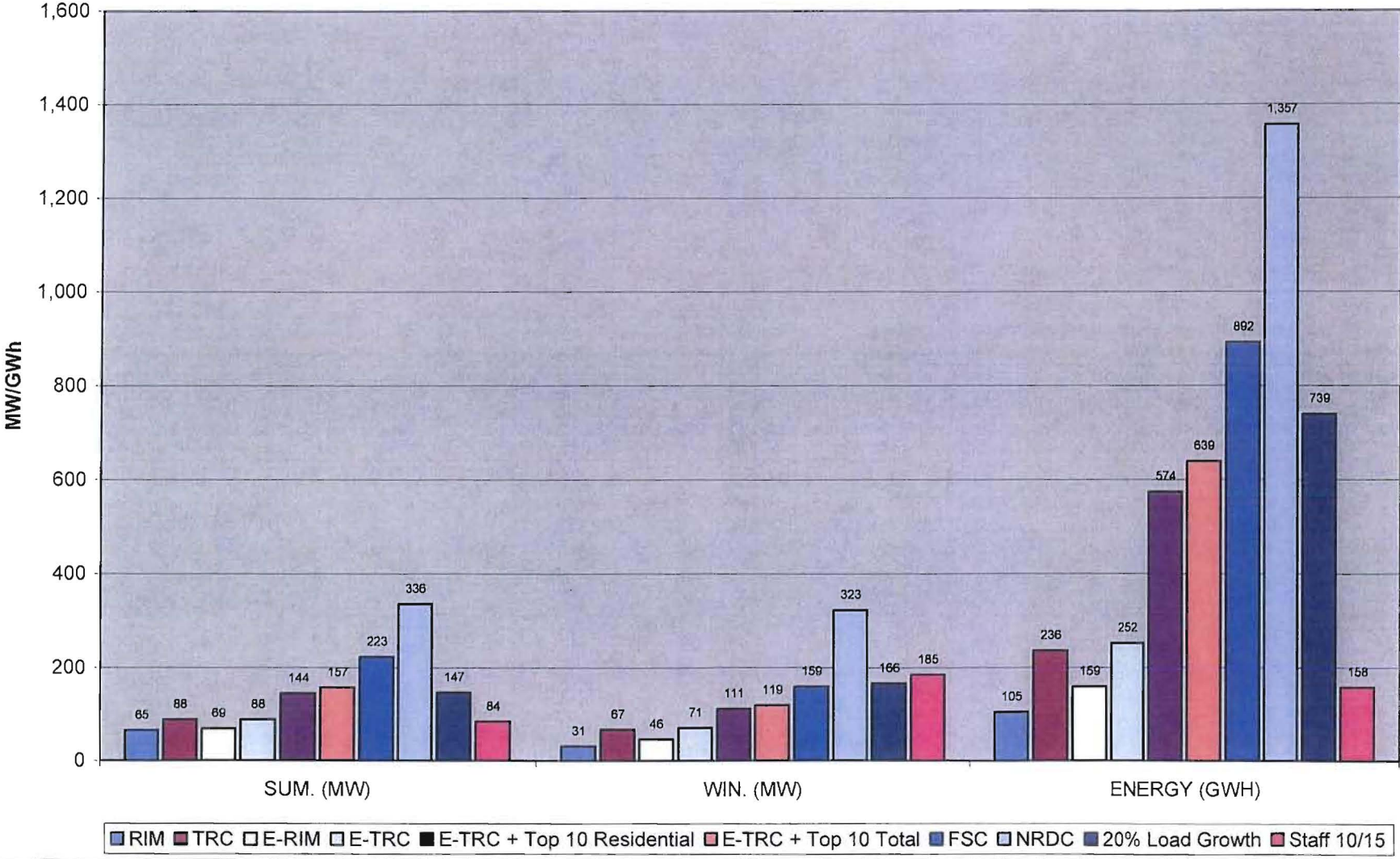
## DSM Goal Alternatives - PEF



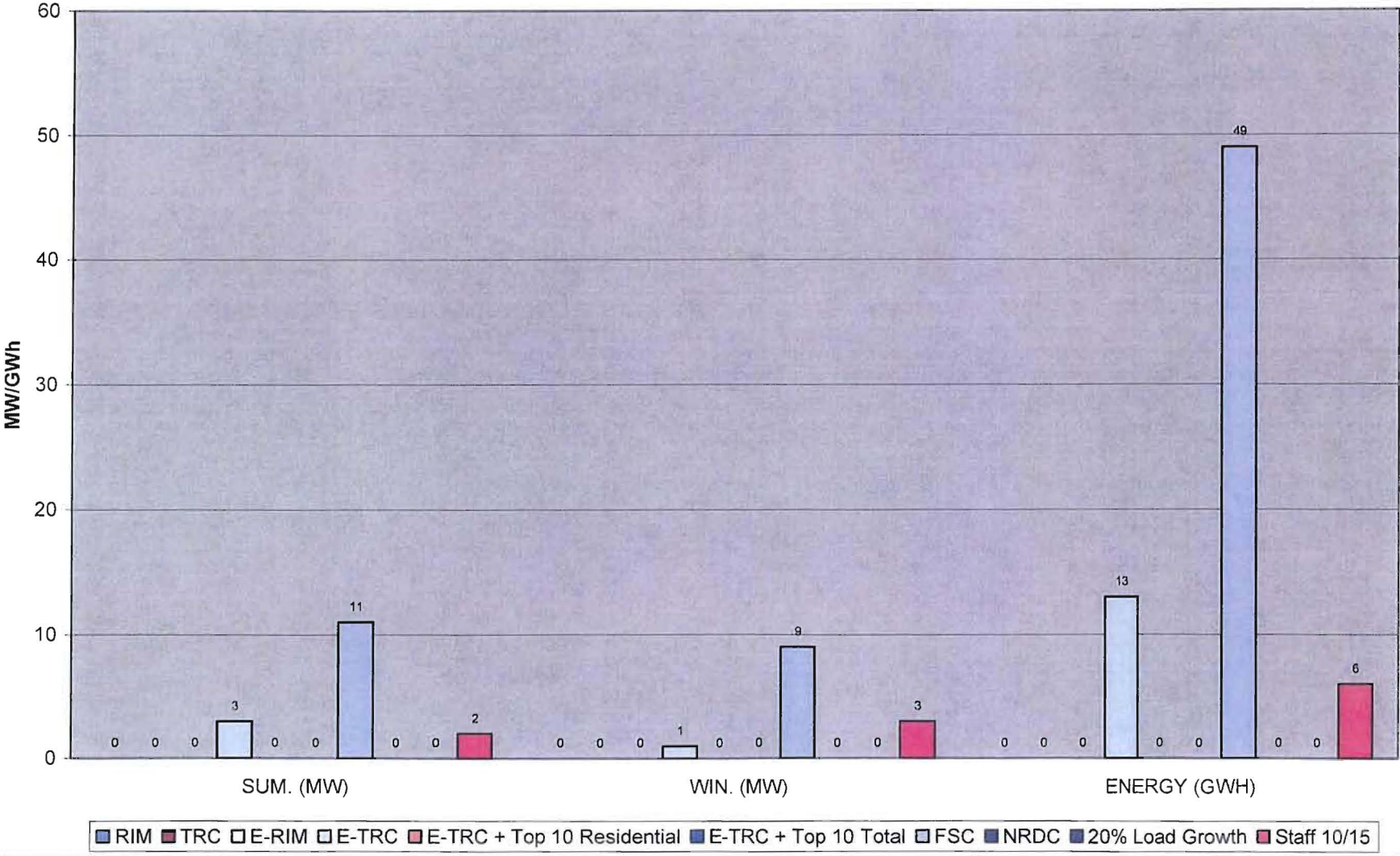
## DSM Goal Alternatives - TECO



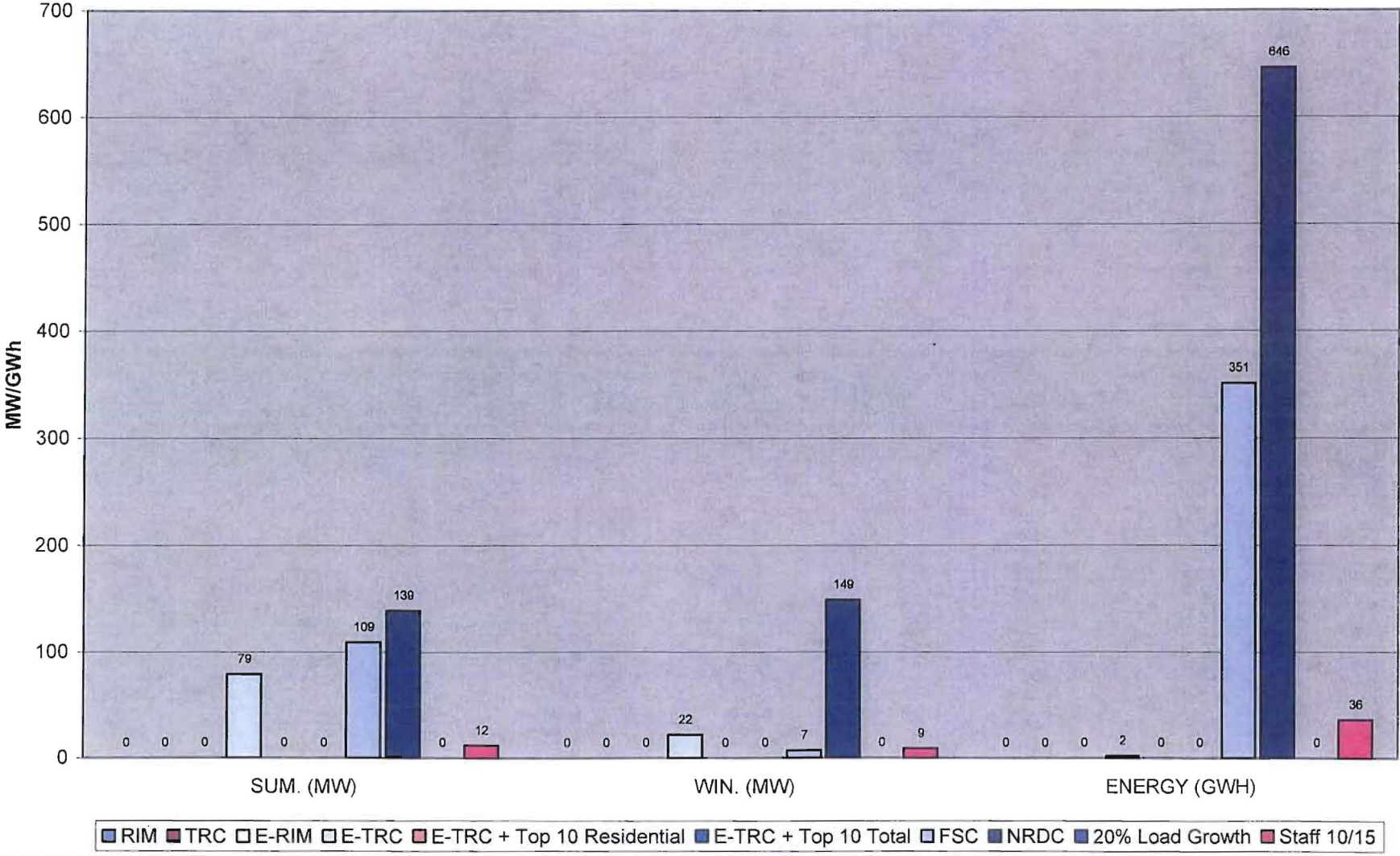
# DSM Goal Alternatives - GULF



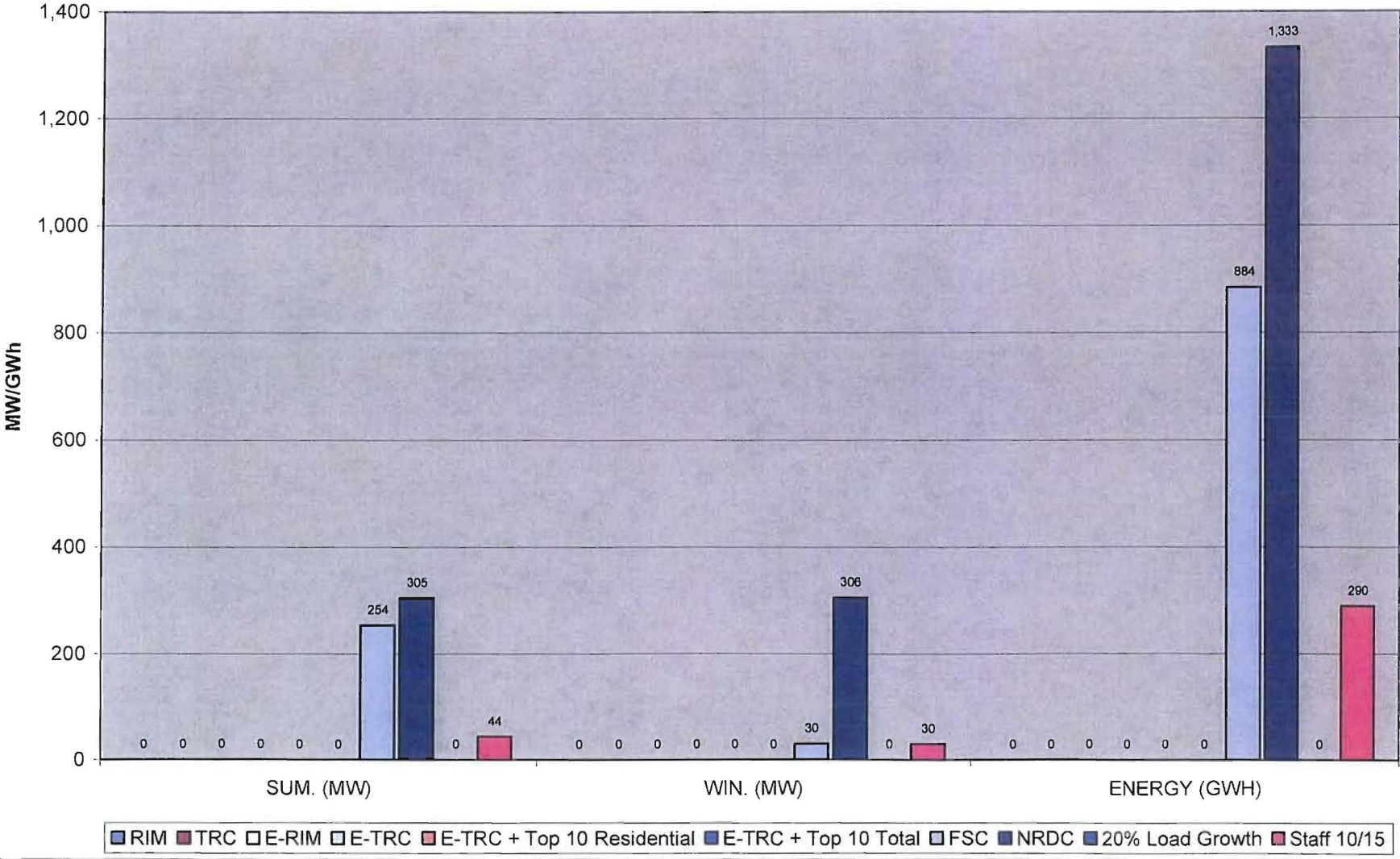
# DSM Goal Alternatives - FPUC



# DSM Goal Alternatives - OUC



# DSM Goal Alternatives - JEA



**PROPOSED ENERGY GOALS AS PERCENTAGE OF GROWTH**

| Utility | Energy Growth | Staff (10/15) |     | Staff (11/20) |     | FSC   |     | NRDC   |     |
|---------|---------------|---------------|-----|---------------|-----|-------|-----|--------|-----|
|         | (GWH)         | (GWH)         | (%) | (GWH)         | (%) | (GWH) | (%) | (GWH)  | (%) |
| FPL     | 24,497        | 1549          | 6%  | 2,177         | 9%  | 4,233 | 17% | 10,797 | 44% |
| PEF     | 8,517         | 452           | 5%  | 1,585         | 19% | 3,498 | 41% | 3,772  | 44% |
| TECO    | 3,619         | 121           | 3%  | 310           | 9%  | 1,292 | 36% | 2,022  | 56% |
| GULF    | 3,695         | 158           | 4%  | 252           | 7%  | 892   | 24% | 1,357  | 37% |