

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition for approval of demand-side management plan of Orlando Utilities Commission.	DOCKET NO. 100161-EG ORDER NO. PSC-10-0554-PAA-EG ISSUED: September 3, 2010
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The following Commissioners participated in the disposition of this matter:

NANCY ARGENZIANO, Chairman
LISA POLAK EDGAR
NATHAN A. SKOP
ART GRAHAM
RONALD A. BRISÉ

NOTICE OF PROPOSED AGENCY ACTION
ORDER APPROVING DEMAND-SIDE MANAGEMENT PLAN

BY THE COMMISSION:

NOTICE is hereby given by the Florida Public Service Commission that the action discussed herein is preliminary in nature and will become final unless a person whose interests are substantially affected files a petition for a formal proceeding, pursuant to Rule 25-22.029, Florida Administrative Code (F.A.C.).

BACKGROUND

As required by the Florida Energy Efficiency and Conservation Act (FEECA), Sections 366.80 through 366.85 and 403.519, Florida Statutes (F.S.), we adopted annual goals for seasonal peak demand and annual energy consumption for the FEECA Utilities. These include Florida Power & Light Company (FPL), Progress Energy Florida, Inc. (PEF), Tampa Electric Company (TECO), Gulf Power Company (Gulf), Florida Public Utilities Company (FPUC), JEA, and Orlando Utilities Commission (OUC).

Pursuant to Rule 25-17.008, F.A.C., in any conservation goal setting proceeding, we require each FEECA utility to submit cost-effectiveness information based on, at a minimum, three tests: (1) the Participants Test; (2) the Rate Impact Measure (RIM) Test, and (3) the Total Resource Cost (TRC) Test. The Participants Test measures program cost-effectiveness to the participating customer. The RIM Test measures program cost-effectiveness to the utility's overall rate payers, taking into consideration the cost of incentives paid to participating customers and lost revenues due to reduced energy sales that may result in the need for a future rate case. The TRC Test measures total net savings on a utility system-wide basis. In past goal setting proceedings, the Commission established conservation goals based on measures that pass both the Participants Test and the RIM Test.

DOCUMENT NUMBER-DATE

07464 SEP-30

FPSC-COMMISSION CLERK

The 2008 Legislative Session resulted in several changes to the FEECA Statute, and our goal-setting proceeding was the first implementation of these modifications. By Order No. PSC-09-0855-FOF-EG, we established annual goals for the FEECA Utilities for the period 2010 through 2019. The resulting approved DSM goals for OUC are the average savings achieved from existing DSM programs over the past four years. These goals are divided into residential and commercial/industrial, with each of these further subdivided into three categories: summer peak demand, winter peak demand, and annual energy.

On March 30, 2010, OUC filed a petition requesting approval of its Demand-Side Management (DSM) Plan pursuant to Rule 25-17.0021, F.A.C.

On July 15, 2010, the SACE filed comments on the FEECA Utilities' DSM Plans. These comments were amended on August 3, 2010, to include comments regarding FPUC. No other intervenors filed comments. On July 28, and August 12, 2010, PEF and Gulf, respectively, filed responses to SACE's comments. SACE's comments focused on the IOUs and do not materially affect OUC's DSM plan.

We have jurisdiction over this matter pursuant to Sections 366.80 through 366.85 and 403.519, F.S.

DEMAND-SIDE MANAGEMENT PLAN

OUC has proposed a DSM Plan for the ten-year period 2010 to 2019 that projects peak demand and energy savings that exceed the residential and commercial/industrial goals established by this Commission in Order No. PSC-09-0855-FOF-EG. Tables 1 and 2 below depict the approved goals and OUC's projection of DSM program savings for each of the ten years.

Table 1 – Comparison of Residential Goals

Year	Summer Demand (MW)		Winter Demand (MW)		Annual Energy (GWh)	
	Commission Approved Goal	OUC Projected Savings	Commission Approved Goal	OUC Projected Savings	Commission Approved Goal	OUC Projected Savings
2010	0.50	0.56	0.20	0.45	1.80	2.38
2011	0.50	0.56	0.20	0.45	1.80	2.38
2012	0.50	0.56	0.20	0.45	1.80	2.38
2013	0.50	0.56	0.20	0.45	1.80	2.38
2014	0.50	0.56	0.20	0.45	1.80	2.38
2015	0.50	0.56	0.20	0.45	1.80	2.38
2016	0.50	0.56	0.20	0.45	1.80	2.38
2017	0.50	0.56	0.20	0.45	1.80	2.38
2018	0.50	0.56	0.20	0.45	1.80	2.38
2019	0.50	0.56	0.20	0.45	1.80	2.38
Total	5.00	5.65	2.00	4.49	18.00	23.76

Table 2 – Comparison of Commercial/Industrial Goals

Year	Summer Demand (MW)		Winter Demand (MW)		Annual Energy (GWh)	
	Commission Approved Goal	OUC Projected Savings	Commission Approved Goal	OUC Projected Savings	Commission Approved Goal	OUC Projected Savings
2010	0.70	0.72	0.70	0.72	1.80	3.27
2011	0.70	0.72	0.70	0.72	1.80	3.27
2012	0.70	0.72	0.70	0.72	1.80	3.27
2013	0.70	0.72	0.70	0.72	1.80	3.27
2014	0.70	0.72	0.70	0.72	1.80	3.27
2015	0.70	0.72	0.70	0.72	1.80	3.27
2016	0.70	0.72	0.70	0.72	1.80	3.27
2017	0.70	0.72	0.70	0.72	1.80	3.27
2018	0.70	0.72	0.70	0.72	1.80	3.27
2019	0.70	0.72	0.70	0.72	1.80	3.27
Total	7.00	7.25	7.00	7.22	18.00	32.71

OUC relied upon historical program participation to project customer enrollment and savings for its programs.

We believe OUC’s estimates and projections to be reasonable at this time. We find that the proposed annual energy and seasonal peak demand savings contained in the OUC’s 2010 DSM Plan satisfy the numeric conservation goals set forth in Order No. PSC-09-0855-FOF-EG.

Rate Impact

OUC’s proposed DSM Plan for the period 2010-2019 contains 13 existing residential programs and 7 existing commercial programs. Though OUC’s Plan contains no programs specifically for renewable energy systems, OUC does currently have six photovoltaic panels installed on schools as part of its renewable energy portfolio. Table 3, below, summarizes OUC’s DSM programs by segment (residential, commercial/industrial, and renewable).

Table 3 - Summary of OUC's DSM Programs

Program Type	Residential	Comm./Ind.	Renewable
Existing	13	7	0
New	0	0	0
Total	13	7	

Note: A summary of each program is contained in Attachment A.

During the goal setting proceeding, OUC proposed DSM goals of zero since no measures were found to be cost-effective pursuant to the RIM test. However, OUC did propose to continue its existing DSM programs. By Order No. PSC-09-0855-FOF-EG, we approved new DSM goals based on OUC continuing its existing programs. Specifically, page 16 of the Order states, “OUC and JEA proposed goals of zero, yet committed to continue their current DSM

program offerings. We are setting goals for OUC and JEA based on their current programs so as not to unduly increase rates.”

Our staff did request that OUC provide cost-effectiveness results for its existing programs which are shown in the table below. Unlike the IOUs, OUC does not include an estimated cost for greenhouse gas emissions. Therefore, the results shown are for traditional RIM and TRC tests:

Table 4: Summary of Cost-Effectiveness Test Results			
OUC			
Program Name	TRC	RIM	Participant
Residential Portfolio			
Energy Survey (Audit)	0.44	0.19	(Infinite)
Duct Repairs	0.18	0.24	0.68
Ceiling Insulation Rebates	0.17	0.25	1.07
Window Film/Solar Screen Rebates	0.12	0.15	1.02
High Performance Windows Rebates	0.12	0.24	1.29
Caulk/Weather Stripping Rebates	0.05	0.08	0.95
Wall Insulation Rebates	0.01	0.04	0.44
Cool/Reflective Roof Rebates	0.22	0.26	2.89
Home Energy Fix-Up	0.54	0.12	7.06
Billed Solution Ceiling Insulation	0.17	0.25	1.07
Efficient Electric Heat Pump Rebates	0.07	0.26	0.40
Gold Ring Home	1.01	0.23	(Infinite)
Compact Flourescent Lighting	2.28	0.29	(Infinite)
Commercial/Industrial Portfolio			
Energy Audits	0.35	0.22	(Infinite)
Indoor Light Retrofits	1.84	0.63	(Infinite)
Efficient Electric heat Pump Rebates	0.07	0.30	0.64
Duct Repair Rebates	0.23	0.28	0.80
Window Film/Solar Screen Rebates	0.05	0.11	0.71
Ceiling Insulation Rebates	0.23	0.34	1.09
Cool/Reflective Roof Rebates	0.47	0.40	1.25

Since OUC proposes to continue existing DSM programs, its customers should not see an increase to rates due to additional DSM programs. However, OUC’s existing programs do increase a typical residential bill by approximately \$0.46 per month. Individual residential program impacts range from less than \$0.01 to \$0.14, as shown in the following chart:

Table 4 – OUC Rate Impact Ranking	
Program Name	Residential Rate Impact
	\$/Mo.
Energy Surveys – Walk-Through (Single Family)	\$0.14
Energy Surveys – Video / DVD (Single Family)	\$0.03
Energy Surveys – Online (Single Family)	\$0.03
Energy Surveys – Walk-Through (Multi-Family)	\$0.05
Energy Surveys – Video / DVD (Multi-Family)	\$0.01
Energy Surveys – Online (Multi-Family)	\$0.01
Duct Repair Rebates	\$0.01
Ceiling Insulation Rebates	\$0.02
Window Film / Solar Screen Rebates	\$0.00
High Performance Window Rebates	\$0.02
Caulking / Weather Stripping Rebates	\$0.00
Wall Insulation Rebates	\$0.00
Cool / Reflective Roof Rebates	\$0.00
Home Energy Fix-Up	\$0.01
Billed Solution Insulation	\$0.00
Efficient Electric Heat Pump Rebates	\$0.11
Gold Ring Home	\$0.00
Compact Fluorescent Lighting	\$0.02
Total	\$0.46

OUC's DSM Plan continues existing programs, as directed by this Commission; therefore, customer rates should not be unduly affected due to additional DSM programs.


Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that Orlando Utilities Commission's Demand-Side Management Plan, summarized in Attachment A to this Order, and incorporated herein by reference, is hereby approved as set forth in the body of this Order. It is further

ORDERED that the provisions of this Order, issued as proposed agency action, shall become final and effective upon the issuance of a Consummating Order unless an appropriate petition, in the form provided by Rule 28-106.201, Florida Administrative Code, is received by the Commission Clerk, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, by the close of business on the date set forth in the "Notice of Further Proceedings" attached hereto. It is further

ORDERED that in the event this Order becomes final, this docket shall be closed.

By ORDER of the Florida Public Service Commission this 3rd day of September, 2010.



ANN COLE
Commission Clerk

(S E A L)

KEF

NOTICE OF FURTHER PROCEEDINGS OR JUDICIAL REVIEW

The Florida Public Service Commission is required by Section 120.569(1), Florida Statutes, to notify parties of any administrative hearing that is available under Section 120.57, Florida Statutes, as well as the procedures and time limits that apply. This notice should not be construed to mean all requests for an administrative hearing will be granted or result in the relief sought.

Mediation may be available on a case-by-case basis. If mediation is conducted, it does not affect a substantially interested person's right to a hearing.

The action proposed herein is preliminary in nature. Any person whose substantial interests are affected by the action proposed by this order may file a petition for a formal proceeding, in the form provided by Rule 28-106.201, Florida Administrative Code. This petition must be received by the Office of Commission Clerk, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, by the close of business on September 24, 2010.

In the absence of such a petition, this order shall become final and effective upon the issuance of a Consummating Order.

Any objection or protest filed in this/these docket(s) before the issuance date of this order is considered abandoned unless it satisfies the foregoing conditions and is renewed within the specified protest period.

Descriptions of OUC's DSM Programs

Residential Programs:

1. *Residential Energy Surveys:* OUC will provide three types of Residential Energy Surveys (walk-through, DVD, and on-line) designed to provide customers with energy conservation advice and to encourage the implementation of efficiency measures resulting in energy savings. The survey process includes a complete examination of the attic; heating, ventilation, and air conditioning (HVAC) system; air duct and air returns; window caulking; weather stripping around doors; faucets and toilets; and lawn sprinkler systems. Follow-up work monitors and tracks the installation of additional conservation features and/or duct repairs. The primary benefit of the Residential Energy Survey Program is the education it provides to customers on energy conservation measures and ways their lifestyle can directly affect their energy use.
2. *Duct Repair Rebate:* The Duct Repair Rebate Program originated in 2000 and is designed to encourage customers to repair leaking ducts on existing systems. Customers will receive up to a \$150 rebate for duct repairs on their homes.
3. *Ceiling Insulation Rebates:* The ceiling insulation rebate program is designed to encourage customers to upgrade their attic insulation. Customers will receive a \$100 rebate for upgrading their attic insulation to R-19 or higher.
4. *Window Film/Solar Screen Rebates:* The window film/solar screen rebate program is designed to encourage customers to install solar shading on their windows. Customers will receive up to a \$100 rebate for installation of solar shading film with a shading coefficient of 0.5 or less.
5. *High Performance Windows Rebates:* Energy-efficient windows can help minimize heating, cooling, and lighting costs. The high performance windows rebate program is designed to encourage customers to install windows that improve energy efficiency in their homes. Customers will receive a \$1 rebate per square foot (up to \$250) for the purchase of ENERGY STAR® rated energy efficient windows.
6. *Caulking and Weather Stripping Rebates:* The caulking and weather stripping rebate program is designed to encourage customers to caulk and weather strip their homes. Customers will receive a rebate of 50 percent of the cost (up to \$50) for the caulking and weather stripping of their homes.
7. *Wall Insulation Rebates:* The wall insulation rebate program is designed to encourage customers to insulate the walls of their homes. Customers will receive a rebate of \$300 for wall insulation.
8. *Cool/Reflective Roof Rebate:* The cool/reflective roof rebate program has been offered in the last couple of years and is designed to encourage customers to install new roofing to

help insulate their homes. Customers will receive a rebate of \$150 for ENERGY STAR® cool/reflective roofing that has an initial solar reflectance greater than or equal to 0.70.

9. *Home Energy Fix-Up Program:* The home energy fix-up program is available to residential customers with a total annual family income of \$35,000 or less. Each customer must request and complete a free Residential Energy Survey. Ordinarily, Energy Survey recommendations require a customer to spend money replacing or adding energy conservation measures, which low-income customers may not have the discretionary income to implement. Under this program, OUC will arrange for a licensed, approved contractor to perform the necessary repairs and will pay 85 percent of the total cost, not to exceed \$2,000. The remaining 15 percent can be paid directly or over an interest-free 12-month period on the participant's monthly electric bill.

10. *Efficient Electric Heat Pump Rebates:* The efficient electric heat pump rebate program has been offered for several years and provides rebates to qualifying customers in existing homes who install heat pumps having a seasonal energy efficiency ratio (SEER) of 14.0 or higher. Currently, Customers will obtain a rebate in the form of a credit on their bill of \$1 00, \$200 or \$300, if they install heat pumps with a SEER rating of 14, 15, or 16 and above, respectively.

Commercial Programs:

1. *Indoor Lighting Retrofit Program:* The indoor lighting retrofit program reduces energy consumption for the commercial customer through the replacement of older fluorescent and incandescent lighting with newer, more efficient lighting technologies. A special alliance between OUC and the lighting contractor enables OUC to offer the customer a discounted project cost.
2. *Efficient Electric Heat Pump Rebates:* The efficient electric heat pump rebate program started in 2009. OUC will rebate \$100 for SEER 14, \$200 for SEER 15, and \$300 for SEER 16 and above for customers' purchase of an energy-efficient heat pump.
3. *Duct Repair Rebates:* The duct repair rebate program started in 2009. OUC will rebate up to \$150 on repairs made to leaking ducts on existing systems that are 5.5 tons (66,000 BTUs) or less.
4. *Window Film/Solar Screen Rebates:* The window film/solar screen rebate program started in 2009 and is designed to help reflect the heat during hot summer days and retain heat on cool winter days. OUC will rebate customers \$0.75 per square foot, up to \$55 per room for window tinting and solar screening with a shading coefficient of 0.5 or less.
5. *Ceiling Insulation Rebates:* The ceiling insulation rebate program started in 2009 and was designed to increase a building's resistance to heat loss and gain. OUC will rebate customers up to \$100 plus \$0.07 per square foot above 1,500 square feet for ceiling insulation of R-19 or higher.
6. *Cool/Reflective Roofs Rebates:* The cool/reflective roofs rebate program started in 2009 and was designed to reflect the sun's rays and lower roof surface temperature while increasing the lifespan of the roof. OUC will rebate customers at \$0.10 per square foot up to \$15,000 for ENERGY STAR® cool/reflective roofing that has an initial solar reflectance greater than or equal to 0.70.