Marguerite McLean

100158-EG

From: Ann Bassett [abassett@lawfla.com]

Sent: Monday, January 10, 2011 10:47 AM

To: Filings@psc.state.fl.us

Cc: Myron Rollins; George Cavros; Suzanne Brownless; Jason Van Hoffman; Jennifer Crawford; Katherine Fleming; Rick Chamberlain

Subject: Docket No. 100158-EG

Attachments: 2011-01-10, 100158, FPUC's Responses to Staff's 4th Data Request.pdf

The person responsible for this electronic filing is:

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The Docket No. is 100158-EG Petition for approval of conservation programs by Florida Public Utilities Company

This is being filed on behalf of Florida Public Utilities Company

Total Number of Pages is 12

Florida Public Utilities Company's Response to FPSC Staff's Fourth Data Request.

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January 10, 2011

BY ELECTRONIC FILING
Ms. Ann Cole, Director
Commission Clerk and Administrative Services
Room 110, Easley Building
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, FL 32399-0850

Re: Docket No. 100158-EG

Dear Ms. Cole:

Attached for filing in the captioned docket are the Responses of Florida Public Utilities Company to the Staff's Fourth Data Request. Copies are being furnished to the parties of record.

Thank you for your assistance with this filing.

Sincerely,

Norman H. Horton, Jr.

NHH/amb
Enclosure
cc: Mr. Jason Van Hoffman
Parties of Record

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CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing has been furnished by Electronic Mail and/or U. S. Mail on this 10th day of January, 2011.

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DOCKET NO. 100158-EG
PETITION OF APPROVAL OF DEMAND-SIDE MANAGEMENT PLAN OF FLORIDA PUBLIC UTILITIES COMPANY

FLORIDA PUBLIC UTILITIES COMPANY'S RESPONSES TO STAFF'S FOURTH DATA REQUEST

1. Please clarify portions of the company's rebate process.

   a. Once a customer contacts FPUC to schedule a pre-installation inspection, within how many days will FPUC respond to the customer's request, and within how many days will FPUC conduct the pre-installation inspection?

Response:

FPUC will respond to customers who request a pre-installation inspection within 3 business days of receiving the request. FPUC will attempt to conduct the pre-installation inspection within ten business days of receiving the request, assuming the customer is available when FPUC has an available time slot. Beyond ten business days, FPUC will work with the customer to schedule the pre-installation inspection at the earliest convenient time.

   b. Once complete documentation for a rebate is received from the customer, within how many days must Parago issue the rebate?

Response:

Upon final verification that a request for a rebate is approved, Parago will issue a rebate in the form of a prepaid VISA card and mail it via First-Class mail within five business days. The same timeframe requirements exist when sending a check if a rebate is requested by a contractor.

   c. If FPUC schedules a post-installation verification inspection, within how many days of receipt of rebate documentation from the customer must FPUC schedule and conduct the inspection?

Response:

Once the rebate documentation is received, FPUC will attempt to conduct the post-installation inspection within ten business days of receiving the request, assuming the customer is available when FPUC has an available time slot. Beyond ten business days, FPUC will work with the customer to schedule the post-installation inspection at the earliest convenient time.

d. If FPUC conducts a post-installation verification inspection of the solar system, within how many days of the inspection must FPUC verify the system?

Response:

Once the rebate documentation is received, FPUC will attempt to conduct the post-installation inspection within ten business days of receiving the request, assuming the customer is available when FPUC has an available time slot. Beyond ten business days, FPUC will work with the customer to schedule the post-installation inspection at the earliest convenient time.

e. If the system is verified, within how many days will the customer receive a rebate?

Response:

The rebate will be mailed via First-Class mail within five business days of the verification of the system. The rebate should be received within two to four mailing days after the mailing date.

2. In the event that a customer has a rebate reservation approved, but the application process exceeds the 90 day rebate application period, will the customer have an opportunity to receive the rebate? Please fully explain.

Response:

The 90 day period is designed to keep customers from making a reservation and then not following through with the installation and potentially causing other customers who would follow through with the installation being placed on the waiting list. Once the rebate reservation is approved, the customer has 90 days to complete the installation and provide complete documentation. FPUC believes this provides more than adequate time for a diligent customer to complete the installation and documentation process. If complete documentation is not received in the time period, then the customer will be moved to the end of the waiting list, should they so choose. If it is found that the customer completed the process and provided ample time for FPUC to review the documentation, and FPUC is responsible for the customer exceeding the 90 day requirement, FPUC may, at its sole discretion, choose to award the rebate to the customer. FPUC may also choose to award the rebate on a situational basis if it finds that exceptional circumstances have occurred that prevented the customer from fully completing the process within the 90 day period.

3. Please explain why an energy audit is not included as part of the program standards.

Response:

Energy audits are included in the program standards under the Residential and Commercial Energy Surveys. Various types of energy saving opportunities will be examined by FPUC energy auditors and are described in the program standards.

4. Please explain how the company will measure and verify energy savings from equipment funded through the programs.

Response:

FPUC is by far the smallest of the FEECA utilities and as such specific measurement and verification unique to FPUC would be prohibitively expensive. To overcome this issue, FPUC has relied heavily on the work conducted by the other larger FEECA utilities and has developed an approach for measurement and verification of each Program as presented in the 2010 Demand-Side Management Plan and the Program Standards. The approach is presented for each program below.

Residential Energy Survey
FPUC will record the number of Residential Energy Surveys conducted. The demand and energy savings per Survey are based on Progress Energy Florida's Home Energy Check Program as presented in their 2008 DSM Annual Report which was the most recent information available at the time the program was developed. In addition to the savings from PEF's Home Energy Check Program, FPUC used an engineering model to estimate the savings from 10 compact fluorescent bulbs to be installed with the Residential Energy Survey. The total demand and energy savings per Survey will be applied to number of surveys to obtain the program savings. FPUC will follow-up with the customers via telephone following the survey as discussed in the Program Standards. FPUC will record the measures the customer reports having taken since the Residential Energy Survey. FPUC will informally monitor the reported residential audit savings by other utilities and the measures reported to be taken by the customer. If this informal monitoring indicates changes to the demand and energy savings may be necessary, FPUC will develop the revised savings and petition the Commission for a change in the demand and energy savings for the program. It is very doubtful with the small number of FPUC customers that any statistical measurement of savings would produce valid results due to the sample size.

Residential Heating and Cooling Efficiency Upgrade Program
FPUC assumed an average size of three tons for heat pumps and air conditioners subject to the program and calculated the energy savings using the energy savings calculator for Energy Star Heat Pumps and Air Conditioners developed by the United States Environmental Protection Agency and the United States Department of Energy by assuming an energy savings from going from a 10 SEER to a 14 SEER based on climate data for Jacksonville, Florida. FPUC assumed that 50 percent of the participants would be installing heat pumps and 50 percent would be installing air conditioners. Since the energy savings calculator only calculated energy savings, FPUC scaled the demand savings from Orlando Utilities Commission's (OUC's) Residential Efficient Electric Heat Pump Rebates Program from their 2010 DSM Annual Report to correspond to the calculated energy savings. As part of the rebate application process, FPUC will record where possible the SEER of the heat pump or air conditioner being replaced and the SEER of the new heat pump or air conditioner as well as the FPUC Division where the customer is located. FPUC will informally monitor this data and savings reported by other utilities. If this informal monitoring indicates changes to the demand and energy savings may be necessary, FPUC will develop the revised savings and petition the

Commission for a change in the energy and demand savings for the program. It is very doubtful with the small number of FPUC customers that any statistical measurement of savings would produce valid results due to the sample size.

Commercial Energy Survey Program
FPUC will record the number of Commercial Energy Surveys conducted. The demand and energy savings per Survey are based on OUC's Commercial Energy Survey Program as presented in their 2010 DSM Annual Report. In addition to the savings from OUC's Commercial Energy Survey Program, FPUC used an engineering model to estimate the savings from 10 compact fluorescent bulbs to be installed with the Commercial Energy Survey. The total demand and energy savings per Survey will be applied to the number of surveys to obtain the program savings. FPUC will follow-up with the customers via telephone following the survey as discussed in the Program Standards. FPUC will record the measures the customer reports having taken since the Commercial Energy Survey. FPUC will informally monitor the reported commercial audit savings by other utilities and the measures reported to be taken by the customer. If this informal monitoring indicates changes to the demand and energy savings may be necessary, FPUC will develop the revised savings and petition the Commission for a change in the demand and energy savings for the program. It is very doubtful with the small number of FPUC customers that any statistical measurement of savings would produce valid results due to the sample size.

Commercial Indoor Efficient Lighting Rebate Program
The installed demand savings are based on the average installed demand savings from FPUC's existing program. The installed demand savings are assumed to be the summer demand savings at the meter. This assumption conservatively does not include any secondary savings from reduced air conditioning loads. The winter demand savings and annual energy savings are scaled from Florida Power & Light's (FPL's) program as presented in their 2008 Annual Conservation Report which was the most recent data available at the time the program was developed. FPUC will record installed savings from participants. FPUC will informally monitor the reported savings by other utilities. If this informal monitoring of other utilities programs and the recorded installed savings indicates changes to the demand and energy savings may be necessary, FPUC will develop the revised savings and petition the Commission for a change in the demand and energy savings for the program. It is very doubtful with the small number of FPUC customers that any statistical measurement of savings would produce valid results due to the sample size.

Commercial Heating& Cooling Efficiency Upgrade Program
The measurement and verification for this program will be the same as for the Residential Heating and Cooling Efficiency Upgrade Program.

Commercial Window Film Installation Program
Demand and energy savings were taken from Tampa Electric Company's (TECO's) program as reported in their 2008 Annual Conservation Program which was the most recent data available at the time the program was developed. FPUC will record the

amount of window film installed by the participants. FPUC will informally monitor the reported savings by other utilities. If this informal monitoring of other utilities programs indicates changes to the demand and energy savings may be necessary, FPUC will develop the revised savings and petition the Commission for a change in the demand and energy savings for the program. It is very doubtful with the small number of FPUC customers that any statistical measurement of savings would produce valid results due to the sample size.

Commercial Chiller Upgrade
FPUC used the demand and energy savings from TECO's Commercial Chiller Upgrade Program as reported in their 2008 Annual Conservation Report which was the most recent data available at the time the program was developed. FPUC will record the size, type, and efficiency of the chillers being replaced and the new chillers. FPUC will informally monitor the reported savings by other utilities. If this informal monitoring of other utilities programs or the size and type of chillers being replaced and installed indicates changes to the demand and energy savings may be necessary, FPUC will develop the revised savings and petition the Commission for a change in the demand and energy savings for the program. It is very doubtful with the small number of FPUC customers that any statistical measurement of savings would produce valid results due to the sample size.

Solar Water Heating Program
FPUC used the demand and energy savings from FPL's Program as reported in their 2010 Annual Conservation Report. FPUC will record data regarding the solar water heater as part of the application process. FPUC will informally monitor the reported savings by other utilities. If this informal monitoring of other utilities programs or the size solar water heaters being installed indicates changes to the demand and energy savings may be necessary, FPUC will develop the revised savings and petition the Commission for a change in the demand and energy savings for the program. It is very doubtful with the small number of FPUC customers that any statistical measurement of savings would produce valid results due to the sample size.

Solar Photovoltaic Program
FPUC assumed solar photovoltaic systems would be 2.5 kW in size and would operate at an annual capacity factor of 20 percent. The summer demand reduction is assumed to be the installed capacity. The winter demand reduction was based on the winter demand savings scaled from FPL's Program as reported in their 2010 Annual Conservation Report. FPUC will record data regarding the size of the solar photovoltaic systems as part of the application process. FPUC will informally monitor the reported savings by other utilities. FPUC will also record energy purchased from the customer. If this informal monitoring of other utilities programs or the size solar photovoltaic systems being installed indicates changes to the demand and energy savings may be necessary, FPUC will develop the revised savings and petition the Commission for a change in the demand and energy savings for the program. It is very doubtful with the small number of FPUC customers that any statistical measurement of savings would produce valid results due to the sample size.

5. Please explain how the company will measure and report cost-effectiveness of each program to the Commission.

Response:

FPUC will track the customer and utility costs associated with each program. FPUC will informally monitor these costs against the costs assumed in 2010 Demand-Side Management Plan. As discussed in No. 4, the demand and energy savings will also be informally monitored. If either the costs, savings, or avoided costs appear to substantially deviate from those assumed in the 2010 Demand-Side Management Plan such that the program will no longer be cost-effective, FPUC will re-evaluate the cost effectiveness of the program and petition the Commission to remove or revise the program from its Demand-Side Management Plan, The cost-effectiveness will be reported as part of the petition.

6. Please explain how the company plans to report administrative and marketing expenses for each program.

Response:

FPUC will track administrative and marketing expenses attributed to each program in its DSM plan and will report them as part of its annual Energy Conservation Cost Recovery (ECCR) filings. The administrative and marketing expenses that cannot be allocated to specific programs will considered as common costs. The ECCR filings will be in accordance with Rule 25-17.015.

7. How does the company plan to manage requests for reservations if requests exceed the available approved funding?

Response:

FPUC will notify customers who request reservations after the cap has been exceeded and place them on a waiting list. The waiting list will be ordered by the date FPUC received the request for reservation. FPUC will contact customers on the waiting list if a customer with a reservation cancels or does not fulfill the requirements of the rebate within the 90 day period.

8. Please explain FPUC's relationship with the Parago Company and what is Parago's contractual requirement to issue rebates for the pilot programs.

Response:

Parago is a rebate solutions company that deploys technology to drive better results from consumers and sales channels.

For each Submission that has been identified as "valid", following its receipt of the associated Rebate Funds, Parago will issue Customer Payments in the form relevant to the Customer, and submit such Customer Payments to the United States Postal Service

("USPS") on behalf of FPUC. For each Submission that has been identified as "invalid", following its receipt of the associated Rebate Funds, Parago will issue an invalid postcard to the relevant Customer, and submit the postcard to the USPS on behalf of FPUC. For each Submission for which Parago captures an email address, Parago will transmit an e-mail to the relevant Customer, instructing the Customer how to check the status of the Submission via the Website. Each invalid postcard will identify the reason(s) for Submission invalidity, and if applicable, advise the Customer how to initiate a resubmission

9. Please describe any other role Parago will play in FPUC's solar pilot programs.

Response:

Parago's only involvement would be the issuing the rebate payment.

10. Please explain why FPUC is using a third-party vendor to issue a rebate, in lieu of offering a credit directly to the customer.

Response:

Using the Parago services allow's FPUC greater ability to track rebate submissions and fulfillment. This service also allows customer the ability to immediately use their rebates as opposed to depositing a check and waiting for it to clear. FPUC's policy is not to issue a credit directly to the customer's account

Additionally FPUC is able to track how customers are using their rebate dollars in their community in which we serve.

11. In the event there are excess funds at the end of the program year, please explain if and how FPUC plans to inform its customers and report to the Commission.

Response:

Once FPUC is aware that there may be excess funds at the end of its program year, it will notify customers via its marketing channels in an attempt to increase customer participation. FPUC may also petition the Commission to modify the program to increase penetration by increasing the rebate level or other means. FPUC will report any excess funds to the Commission during its Energy Conservation Cost Recovery filings.

12. Please explain why certification from the Florida Solar Energy Center is not included in the solar photovoltaic and solar water heating eligibility requirements.

Response:

The Florida Solar Energy Standards Act requires all solar water heating systems sold or manufactured in Florida to be approved by the Florida Solar Energy Center (FSEC). Thus FSEC certifies solar water heating systems that would be installed on FPUC's system whether or not certification is a requirement in the Program Standards. With

respect to FSEC certification of photovoltaic systems, FPUC does not feel that it is necessary to require FSEC certification. FPUC does require solar photovoltaic systems to meet all code requirements. Realistically, it is very likely that all solar photovoltaic systems will be certified by FSEC.

Solar Water Heating Program

13. a. Please fully explain the requirement that eligible installations must "not have any natural gas or electric water heaters after the installation of the solar water heater," including the rationale for this requirement.

Response:

The intent of the requirement is to ensure that the solar water heater actually removes the water heating load from the grid. The intent of the prohibition of natural gas is to ensure that the program doesn't just switch load from electric to natural gas.

b. Is a customer required to remove their electric or natural gas water heating system in order to participate in the pilot program?

Response:

Yes

c. Is a customer participating in the pilot program allowed to have supplemental or backup electric or natural gas water heating in addition to the solar water heating system?

Response:

No. It is possible that allowing supplemental or backup could be incorporated; however, to ensure removal of the demand at time of peak would require coupling the solar water heater with load control and the load control portion would be beyond the scope and budget of this small pilot program.

d. If customers will be required to remove any and all electric or natural gas water heating systems, including supplemental or backup systems, please explain whether the company has considered the possible disincentives to participation this requirement will create. Please include in the explanation any and all facts and/or assumptions considered.

Response:

FPUC agrees that the prohibition of electric and natural gas water heating systems will likely be a disincentive to the customer to participate and as such has projected a

low penetration rate. The prohibition, however, ensures that the water heating load is permanently removed from the grid.

14. Will the company require that a licensed plumber or solar contractor install the solar thermal system?

Response:

No. As long as the customer can demonstrate that the installation meets all codes and standards, the solar water heater does not have to be installed by a licensed plumber or solar contractor. While realistically it is very likely that all installations will be installed by a licensed plumber or solar contractor, there are some unincorporated areas of FPUC's service area where it may be possible for a customer to meet all code and standard requirements without utilizing a licensed plumber or solar contractor.

15. Please define a UL approved "controller" and explain why it is required.

Response:

A "controller" for a solar water heater is the electronic controller that monitors temperatures and flows and adjusts pumps and valves in active solar water heaters. UL represents Underwriters Laboratories, the nationally recognized organization certifying electric equipment for safety. Since not all solar water heaters are active, the Program Standards should have indicated if the solar water heater had an electric controller, it would need to be UL approved. The reason for the UL approval requirement is that the controller or its sensors come in contact with the water and the UL certification helps ensure that customers will not be harmed by electrical shock.

16. What is the estimated cost for the controller and who is required to pay for the controller?

Response:

The cost of controllers varies widely, but generally falls in the range of $100 to $600. The customer is required to pay for the controller since it is part of the solar water heating system.

Solar Photovoltaic Program

17. Will the company need physical access to any systems or devices installed and monitored while gathering data for the solar pilot programs?

Response:

Yes

18. What obligations, if any, will be passed to subsequent owners of a system that has received rebates through the solar pilot programs?

Response:

No obligations will be passed on to the subsequent owners other than if the customer sells excess generation from the photovoltaic system, they will be under the terms of FPUC's REN-1 rate schedule.

19. Please explain why the company's solar photovoltaic rebate is based on dollars per watt AC (alternating current) instead of DC (direct current).

Response:

The rebate was merely tied to AC since that is the form of current that offsets FPUC's supply.

20. Please explain why a licensed solar contractor or electrician is not required to install the photovoltaic system.

Response:

FPUC believes that as long as the installation mets all required codes and regulations, it is unnecessary to require the photovoltaic system to be installed by a licensed solar contractor or electrician. Realistically, most if not all installations will be done by licensed solar contractors or electricians.

21. a. Does FPUC intend to recognize Rule 25-6.065, F.A.C., in its programs standards for solar photovoltaic installations made pursuant to the pilot program?

Response:

Yes, FPUC will require that solar photovoltaic installations pursuant to the pilot program adhere to the process and requirements outlined in the rule for interconnection of customer-owned renewable generation.

b. If so, explain whether and how the rule should be referenced in the standards.

Response:

The Rule should be referenced in the standards.