

**BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**

In re: Commission review of numeric  
Conservation goals (Florida Power & Light  
Company).

DOCKET NO.: 130199-EI

In re: Commission review of numeric  
Conservation goals (Duke Energy Florida,  
Inc.).

DOCKET NO.: 130200-EI

In re: Commission review of numeric  
Conservation goals (Tampa Electric Company).

DOCKET NO.: 130201-EI

In re: Commission review of numeric  
Conservation goals (Gulf Power Company.)

DOCKET NO.: 130202-EI

FILED: June 10, 2014

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**THE FLORIDA INDUSTRIAL POWER USERS GROUP'S  
PREHEARING STATEMENT**

The Florida Industrial Power Users Group (FIPUG), pursuant to Order No. PSC-13-0386-PCO-EU files its Prehearing Statement.

**A. APPEARANCES:**

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**On Behalf of the Florida Industrial Power Users Group**

**B. WITNESSES:**

<u>Witness</u>	<u>Subject Matter</u>	<u>Issues</u>
None, other than witnesses listed by other parties.		All

**C. EXHIBITS**

None, other than exhibits listed by other parties and cross examination exhibits.

## **D. STATEMENT OF BASIC POSITION**

### **FIPUG's Statement of Basic Position:**

Conservation is an important aspect of every utility's portfolio. However, the importance of pursuing conservation programs must be balanced against their cost and the impact of that cost on ratepayers. The Commission must not overlook rate impact as it evaluates conservation goals and programs.

Cost effective load management programs, such as interruptible programs, play an important role in conservation and should be encouraged. Interruptible programs allow large customers to minimize demand when a utility needs resources to maintain service to its firm customers.

The Commission should also more strongly encourage cogeneration and remove barriers to its efficient use. Cogeneration produces no environmental emissions, consumes no fossil fuel and requires no additional water consumption. Such facilities also allow utilities to avoid consuming expensive fossil fuel and thus, also avoid the resultant emissions.

To encourage additional cogeneration and to more fully utilize existing cogeneration, the Commission should permit Multiple Load Management (MLM). MLM should be used to allow customers to more fully utilize existing cogenerated capacity/energy. MLM would allow a customer to centrally manage power and energy usage at multiple locations (owned and controlled by the customer) throughout the utility's service area. It would also allow the use of surplus capacity/energy from cogeneration to displace utility capacity/energy purchases at other locations (*i.e.*, self-service wheeling). The use of MLM would allow cogenerated power to be economically developed and fully utilized and would encourage more widespread and more efficient use of cogeneration.

The Commission should conduct an investigation to consider MLM as described above and to audit or otherwise evaluate how the utilities calculate avoided costs in determining cost-effectiveness and in determining the real-time hourly payments for cogenerated energy. This would help to ensure that viable cogeneration projects are developed.

Finally, if the Commission decides to broaden energy efficiency measures, the utilities should specifically address industrial programs that will increase efficiency, such as the installation of premium efficiency motors. Such programs should be eligible for modest incentives. This would encourage the replacement of less efficient equipment with more efficient equipment thus resulting in demand reduction.

## **E. STATEMENT OF ISSUES AND POSITIONS:<sup>1</sup>**

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

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

**ISSUE 2:** Do the Company's proposed goals adequately reflect the costs and benefits to customers participating in the measure, pursuant to Section 366.82(3)(a), F.S.?

**FIPUG:** In answering this question, the Commission must balance the goal of conservation with the impact of the cost of conservation programs on rates. The Commission must not overlook rate impact when conservation goals and programs are evaluated.

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

**FIPUG:** In answering this question, the Commission must balance the goal of conservation with the impact of the cost of conservation programs on rates. The Commission must not overlook rate impact when conservation goals and programs are evaluated.

**ISSUE 4:** Do the Company's proposed goals adequately reflect the need for incentives to promote both customer-owned and utility-owned energy efficiency and demand-side renewable energy systems, pursuant to Section 366.82, F.S.?

**FIPUG:** In answering this question, the Commission must balance the goal of conservation with the impact of the cost of conservation programs on rates. The Commission must not overlook rate impact when conservation goals and programs are evaluated.

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<sup>1</sup> FIPUG supports the ability of large consumers of electricity who appropriately invest in energy efficiency programs or demand side management to opt out of the costs associated with authorized demand side management programs. FIPUG sought to raise this issue in this proceeding, but FIPUG's proposed issue on this point was stricken. See Order No. PSC-14-0154-PCO-EU.

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

**FIPUG:** The cost of greenhouse gas regulation should be based on regulations currently in effect, not regulations that may or may not be implemented at some point in the future.

**ISSUE 6:** What cost-effectiveness test or tests should the Commission use to set goals, pursuant to Section 366.82, F.S.?

**FIPUG:** The Commission should give significant weight to the RIM test to determine cost-effectiveness. Regardless of which cost-effectiveness test the Commission approves, what is most important is that the Commission encourage conservation programs that strike a reasonable balance between the advantages of the programs to program participants and other rate payers and that these conservation programs are fairly evaluated. Further, in the use of the RIM test, the Commission should be sure that all utilities are conducting the test in the same way and that “lost revenue” for clause “losses” is not included.

**ISSUE 7:** Do the Company’s proposed goals appropriately reflect consideration of free riders?

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

**ISSUE 8:** What residential summer and winter megawatt (MW) and annual Gigawatt-hour (GWh) goals should be established for the period 2015-2024?

**FIPUG:** The Commission should set goals that balance the importance of pursuing conservation programs against their cost and the impact of that cost on rates.

**ISSUE 9:** What commercial/industrial summer and winter megawatt (MW) and annual Gigawatt hour (GWh) goals should be established for the period 2015-2024?

**FIPUG:** The Commission should set goals that balance the importance of pursuing conservation programs against their cost and the impact of that cost on rates.

**ISSUE 10:** What goals, if any, should be established for increasing the development of demand-side renewable energy systems, pursuant to Section 366.82(2), F.S.?

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

**ISSUE 11:** Should the Company’s existing Solar Pilot Programs be extended and, if so, should any modifications be made to them?

**FIPUG:** The existing Solar Pilot Programs do not appear cost effective and should not be merely extended in their present form without rigorous review and appropriate modifications.

**F. STIPULATED ISSUES**

**FIPUG STIPULATION WITH DUKE ENERGY:**

Duke Energy Florida, Inc. provides electrical service to FIPUG members; this proceeding affects the substantial interests of FIPUG members who receive electrical service from Duke Energy Florida, Inc.; FIPUG has standing in this matter for trial and appellate purposes.

(Note: FIPUG may seek a similar stipulation with other parties in this regard.)

**G. PENDING MOTIONS**

**FIPUG:** None at this time.

**H. PENDING REQUEST OR CLAIMS FOR CONFIDENTIALITY**

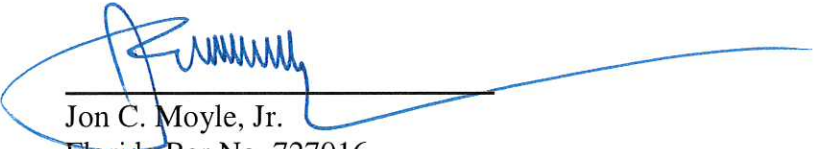
**FIPUG:** None at this time.

**I. OBJECTIONS TO A WITNESS' QUALIFICATION AS AN EXPERT.**

**FIPUG:** None at this time.

**K. REQUIREMENTS THAT CANNOT BE COMPLIED WITH.**

**FIPUG:** None at this time.



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**CERTIFICATE OF SERVICE**

I **HEREBY CERTIFY** that a true and correct copy of the foregoing Florida Industrial Power Users Group's Prehearing Statement has been furnished by electronic mail this 10<sup>th</sup> day of June, 2014, to the following:

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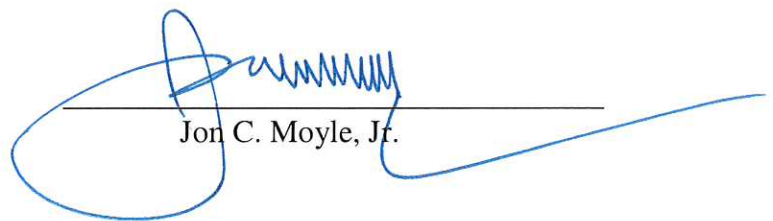
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