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Sent: Tuesday, June 10, 2014 4:08 PM
To: Filings@psc.state.fl.us
Subject: FEECA Docket Nos. 130199 - 130205, Florida Department of Agriculture and Consumer Service's Prehearing Statement
Attachments: 2014.06.10 - FDACS - FEECA Pre-Hearing Statement - Final.pdf

Please accept the attached for filing in the dockets listed below. Please let me know if there are any questions or problems with this request.

The full name, address, telephone number, and e-mail address of the person responsible for the electronic filing.

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The docket number and title if filed in an existing docket.

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
In re: Commission review of numeric conservation goals (JEA).	DOCKET NO. 130203-EM
In re: Commission review of numeric conservation goals (Orlando Utilities Commission).	DOCKET NO. 130204-EM

In re: Commission review of numeric
conservation goals (Florida Public
Utilities Company).

DOCKET NO. 130205-EI

The name of the party on whose behalf the document is filed.

Florida Department of Agriculture and Consumer Services, Office of Energy

The total number of pages in each attached document.

Prehearing Statement – 8 pages

A brief but complete description of each attached document.

The Florida Department of Agriculture and Consumer Services, Office of Energy, Prehearing Statement for the dockets listed above pursuant to the Order Consolidating Dockets and Establishing Procedure dated August 19, 2013.

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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Commission review of numeric conservation goals (Florida Power & Light Company).	DOCKET NO. 130199-EI
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In re: Commission review of numeric conservation goals (Orlando Utilities Commission).	DOCKET NO. 130204-EM
In re: Commission review of numeric conservation goals (Florida Public Utilities Company).	DOCKET NO. 130205-EI

FLORIDA DEPARTMENT OF AGRICULTURE AND CONSUMER SERVICES
PREHEARING STATEMENT

The Florida Department of Agriculture and Consumer Services, Office of Energy (“Department” or “FDACS”), pursuant to PSC-13-0386-PCO-EU, hereby files with the Florida Public Service Commission (“FPSC” or the “Commission”) its Prehearing Statement.

Chapter 377, Florida Statutes, gives broad authority and responsibilities to the Department in administering renewable energy and energy efficiency grants, promoting energy efficiency and conservation programs, and providing educational outreach on energy issues. Further, Section 377.703(2)(i), Florida Statutes, directs the Department to promote energy conservation in all energy use sectors throughout the state. As part of the Department’s

responsibility to promote energy efficiency and conservation, Section 366.82(5), Florida Statutes, specifically directs the Department to be a party in this proceeding and to file with the Commission comments on the proposed goals, including, but not limited to:

- (a) An evaluation of utility load forecasts, including an assessment of alternative supply-side and demand-side resource options.
- (b) An analysis of various policy options that can be implemented to achieve a least-cost strategy, including nonutility programs targeted at reducing and controlling the per capita use of electricity in the state.
- (c) An analysis of the impact of state and local building codes and appliance efficiency standards on the need for utility-sponsored conservation and energy efficiency measures and programs.

Pursuant to this statutory directive, the Department filed its Notice of Intervention in these dockets on August 29, 2013, and the Commission acknowledged the Department's Intervention in Order No. PSC-13-0420-PCO-EU. The Department's role is unique in this proceeding in that the Department is mandated by Florida law to provide comments to the Commission on the proposed goals.

As directed by the Legislature, the Department will continue to evaluate and analyze the load forecasts, policy options to achieve a least-cost strategy, and the impact of state and local building codes and appliance efficiency standards within the context of the identified issues and will file post-hearing comments based on the evidentiary record developed during this proceeding. The positions stated in this prehearing statement are preliminary in nature and are based on information currently available in this proceeding.

(1) WITNESSES

The Department has not pre-filed the testimony of any witnesses and does not intend to offer any witnesses for testimony.

(2) EXHIBITS

The Department has not pre-filed any exhibits. The Department reserves the right to introduce exhibits into the record during cross-examination.

(3) STATEMENT OF BASIC POSITION

Pursuant to Section 366.81, Florida Statutes, the Legislature finds and declares that it is critical to utilize the most efficient and cost-effective demand-side renewable energy systems and conservation systems in order to protect the health, prosperity, and general welfare of the state and its citizens. Reduction in, and control of, the growth rates of electric consumption and weather-sensitive peak demand are of particular importance. The goal of Florida's energy policy should be to secure a stable, reliable and diverse supply of energy in order to meet the demands of Florida's growing population. An all-of-the-above approach must be employed in order to meet this objective and that includes energy efficiency and conservation measures.

In its establishment and approval of goals to meet these mandates, the Commission should consider various policy options to achieve a least-cost strategy, employ market-based technologies, and yield greater efficiencies of electric consumption. The effects of non-utility programs that are targeted at reducing and controlling the per capita use of electricity in the state should be considered, as well as the impact of state and local building codes and appliance efficiency standards. These factors may increase energy efficiency and reduce or control the per capita use of electricity in the state and thus reduce the level of appropriate goals and need for utility-sponsored programs. The Commission should balance the importance of pursuing energy

efficiency and conservation programs against the cost of the programs and their impact to ratepayers.

(4) STATEMENT OF ISSUES AND POSITIONS

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.?

FDACS: The Companies' proposed goals appear to be an adequate assessment of the full technical potential of all available demand-side and supply-side conservation and efficiency measures. However, further examination of this issue is necessary.

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.?

FDACS: The Companies' proposed goals appear to adequately reflect the costs and benefits to customers participating in the measures. However, further examination of this issue is necessary. The Commission should consider policy options that can be implemented to achieve least-cost strategies that take into account the cost and benefits of the programs and their impact on all ratepayers.

Issue 3: Do the Company's proposed goals appear to 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.?

FDACS: The Companies' proposed goals appear to adequately reflect the costs and benefits to the general body of rate payers as a whole, including utility incentives and participant contributions. However, further examination of this issue is necessary. The Commission should consider policy options that can be implemented to achieve least-cost strategies that take into account the cost and benefits of the programs and their impact on all ratepayers.

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.?

FDACS: In determining whether the proposed goals reflect the need for incentives to promote both customer-owned and utility-owned energy efficiency and

demand-side renewable energy systems, the impact of state and local building codes and appliance efficiency standards on the need for utility-sponsored measures and programs should be considered. The Commission should consider policy options that can be implemented to achieve least-cost strategies that take into account the cost and benefits of the programs and their impact on all ratepayers.

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.?

FDACS: The Companies' proposed goals appear to adequately reflect the costs imposed by state and federal regulations on the emission of greenhouse gases over the past five years.

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

FDACS: The Commission's current practice of setting goals based on measures that take into consideration various tests should continue. Using multiple tests allows for a better perspective of the cost effectiveness of the energy efficiency and conservation programs. The Commission should balance the goal of energy efficiency and conservation with the impact of the cost and benefits of these programs on rates and overall customer bills.

Issue 7: Do the Company's proposed goals appropriately reflect consideration of free riders?

FDACS: In considering whether the companies' proposed goals appropriately reflect free riders, the Commission should consider policy options that take into account the payback period of the proposed program measures.

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

FDACS: No position at this time.

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

FDACS: No position at this time.

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.?

FDACS: The Legislature has declared that it is critical to utilize the most efficient and cost-effective demand-side renewable energy systems. The Commission should consider policy options that can be implemented to achieve least-cost strategies that take into account the cost and benefits of the programs and their impact on all ratepayers.

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

FDACS: The Companies have documented that, while popular, the solar rebate programs resulted in wealth transfer from the general body of ratepayers to wealthy customers that can afford to invest in solar photovoltaic systems. If the pilot program is extended or modified, the Commission should consider policy options that can be implemented to achieve least-cost strategies that take into account the cost and benefits of the programs and their impact on all ratepayers.

(5) STIPULATIONS

The Department has not stipulated to any issues.

(6) PENDING MOTIONS

The Department has no motions or other matters pending.

(7) PENDING REQUESTS OR CLAIMS FOR CONFIDENTIALITY

The Department has no requests or claims for confidentially pending.

(8) OBJECTIONS TO A WITNESS' QUALIFICATIONS

The Department has no objections to any witness qualifications.

(9) REQUIREMENTS OF THE PREHEARING ORDER THAT CANNOT BE MET

The Department is not aware of any requirements in the Order Establishing Procedure, as revised, with which it cannot comply.

Respectfully submitted on this 10th of June 2014,

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CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and foregoing PREHEARING STATEMENT of the Department of Agriculture and Consumer Services has been furnished by electronic mail to the following on this 10th day of June 2014.

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