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September 23, 2014

-VIA HAND DELIVERY-

Carlotta Stauffer, Director
Division of Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, FL 32399-0850

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COMMISSION
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RE: Docket No. 140000-OT; 2014 FEECA Report Data Collection

Dear Ms. Stauffer:

Please find enclosed an original and five copies of Florida Power & Light Company's responses to Staff's First Data Request, Nos. 1-4.

If you have any questions or concerns please feel free to call me.

Sincerely,

Jessica A. Cano
Jessica A. Cano
Fla. Bar No. 37372

COM _____
AFD _____
APA _____
ECO 4+4 CDs
ENG _____
GCL 1+1 CD
IDM _____
TEL _____
CLK _____

Enclosures
cc: Lee Eng Tan, Senior Attorney

Q.

In 2010, the Commission began measuring goals on an annual basis. However, some FEECA utilities did not have their new programs approved until late 2010. Please use the attached table to provide the following in Excel format:

- Using the former 2004 goals measuring system as a baseline, please provide the cumulative demand and energy savings achieved in 2005 – 2009. All savings should be at the generator.
- For the 2010 - 2013 periods, please show annual goal achievements using the current goals established in 2009. All savings reported should be at the generator.

Cumulative Savings Achieved - vs - Cumulative Goals									
Year	Winter Peak MW Reduction			Summer Peak MW Reduction			GWh Energy Reduction		
	Achieved	Goal	+ (-)	Achieved	Goal	+ (-)	Achieved	Goal	+ (-)
			%			%			%
2005									
2006									
2007									
2008									
2009									

Cumulative Savings Achieved - vs - Cumulative Goals									
Year	Winter Peak MW Reduction			Summer Peak MW Reduction			GWh Energy Reduction		
	Achieved	Goal	+ (-)	Achieved	Goal	+ (-)	Achieved	Goal	+ (-)
			%			%			%
2010									
2011									
2012									
2013									

A.

Please see the provided table, Attachment No. 1. Please note that the 2004 Commission-approved goals for FPL were established at the meter, instead of at the generator. For purposes of this response, FPL has converted those goal amounts to be at the generator, as requested, using the line loss factor in place at the time the goals were set in 2004.

FPL's current DSM Plan, as approved by Commission Order No. PSC-11-0346-PAA-EG (consummated by Order No. PSC-11-0590-FOF-EG), consists of DSM programs approved by the Commission in 2004 and subsequent modifications, including new programs approved by the Commission in 2006. Variances from the 2009 goals are to be expected because FPL's approved DSM Plan was not designed to meet the 2009 goals. As explained in the transmittal letter for FPL's 2013 Annual DSM Report, FPL developed internal demand and energy targets ("FPL Targets") that provide a more relevant frame of reference for evaluating FPL performance in view of the Commission's 2011 Order. The FPL Targets are based on the incentive levels and a similar program mix contained in FPL's approved DSM Plan as well as adjustments for 2012 Florida Building Code changes. As shown in the provided table, in 2013, FPL achieved the Summer MW and GWh targets on a combined basis. The value of demand and energy savings for FPL's general body of customers is unrelated to whether the savings occur in the residential or business sector.

Q.

Please refer to Utility Company's 2013 Annual Demand-Side Management report filed with the Commission in March 2014. Specifically, refer to the section in which demand and energy program savings are compared to Commission approved goals. If the company failed to meet its Commission approved goals in the Residential or Commercial/Industrial sector, please provide the following in Excel format:

a. Identify the name of the program(s) that did not meet their projected participation levels which in-turn resulted in underachieving targeted goals, measured at the generator. For each identified program, please complete the tables below in Excel format.

2013 Residential Programs that Did Not Meet Projected Participation Levels				
Program Name	Target Number of Customers	Target Energy Savings GWh	Actual Number of Customers	Actual Energy Savings GWh

What actions will the Company take to increase the participation rate in its under performing residential programs in order to meet the Commission-approved goals?

2013 Commercial/Industrial Programs that Did Not Meet Projected Participation Levels				
Program Name	Target Number of Customers	Target Energy Savings GWh	Actual Number of Customers	Actual Energy Savings GWh

What actions will the Company take to increase the participation rate in its under performing commercial/industrial programs in order to meet the Commission-approved goals?

- b. Identify the name and rate class of the programs that exceeded their projected participation levels, measured at the generator.

2013 Residential Programs that <u>Exceeded</u> Projected Participation Levels				
Program Name	Target Number of Customers	Target Energy Savings GWh	Actual Number of Customers	Actual Energy Savings GWh

2013 Commercial/Industrial Programs that <u>Exceeded</u> Projected Participation Levels				
Program Name	Target Number of Customers	Target Energy Savings GWh	Actual Number of Customers	Actual Energy Savings GWh

- A.**
 - a. For planning purposes, FPL develops participation projections on a program-level basis. However, these do not constitute specific Commission-approved performance targets for each program. Ultimately, market conditions determine the participation levels for each program and their mix of measures. Therefore, operationally, FPL monitors and seeks to manage the Residential and Business sector portfolios to balance these natural participation variances so that the overall Residential and Business MW & GWh goals are achieved.

As discussed in FPL's response to Staff's First Data Request No. 1, the FPL Targets are more representative of what FPL's PSC-approved DSM Plan's programs are designed to achieve. Therefore, FPL's response to this Data Request will reference FPL's performance relative to the FPL Targets. The individual program-level "targets" are based on levels that when added together would achieve the FPL Targets and are used for budgeting purposes. These differ from the individual program-level "targets" shown in FPL's Annual Report because the Annual report values are based on the projections developed for the 2004 DSM Plan as subsequently modified in 2006. Please note that neither set of participation projections is designed to achieve the 2009 goals. In 2013, FPL achieved all sector targets except the residential Winter MW. Accordingly, FPL has modified the column headers which originally referenced GWh to reference Winter MW.

2013 Residential Programs that Did Not Meet Projected Participation Levels

Program Name	Target Number of Customers	Target Winter MW @ Generator	Actual Number of Customers	Actual Winter MW @ Generator
Residential HVAC	98,000	33.8	105,164	19.8

As previously mentioned, the Commission does not set goals at the program level. FPL only uses program-level projections to assist in meeting its overall Targets, as shown in FPL's response to Data Request No. 1. The primary reason for the Residential Winter MW shortfall was due to the mix of measures actually adopted, not due to overall program participation levels. In the Residential HVAC program, though overall participation exceeded the forecast, the proportion of those participants who also chose to install the heat pump measure when replacing their air-conditioning units was below forecast. No further actions are planned. Based on the past few years of market experience, it appears the heat pump measure forecast has been too optimistic.

2013 Commercial & Industrial Programs that Did Not Meet Projected Participation Levels

Program Name	Target Number of Customers	Target Summer MW @ Generator	Actual Number of Customers	Actual Summer MW @ Generator
Commercial/Industrial Demand Reduction	14,300	14.3	6,106	6.1

Program Name	Target Number of Customers	Target Winter MW @ Generator	Actual Number of Customers	Actual Winter MW @ Generator
Commercial/Industrial Demand Reduction	14,300	9.3	6,106	3.8

Achievements in the business sector were lower primarily due to the impact of the Environmental Protection Agency's Reciprocating Internal Combustion Engine/National Emissions Standard for Hazardous Air Pollutants (RICE/NESHAP) Rule change made in January 2013. RICE/NESHAP requires more stringent emissions controls on customers who use generators to participate in load management programs. No further actions are planned. Please note that for FPL's Business programs, one "customer" equals one Summer kW.

b.

2013 Residential Programs that Exceeded Projected Participation Levels

Program Name	Target Number of Customers	Target Winter MW @ Generator	Actual Number of Customers	Actual Winter MW @ Generator
Residential On Call	9,615	12.0	15,370	16.0

2013 Commercial & Industrial Programs that Exceeded Projected Participation Levels

Program Name	Target Number of Customers	Target Summer MW @ Generator	Actual Number of Customers	Actual Summer MW @ Generator
Business Custom Incentive	310	0.3	4,096	4.1
Business On Call	4,023	4.0	6,555	6.6

Program Name	Target Number of Customers	Target Winter MW @ Generator	Actual Number of Customers	Actual Winter MW @ Generator
Business Custom Incentive	310	0.3	4,096	4.0

The tables provided in this response are provided in Excel format, see Attachment No. 1.

Q.

Please use the chart below to provide the annual number of Residential and Commercial/Industrial energy audits performed during the 2010-2013 periods. Please provide Excel version with your response.

Customer Audits Performed during the 2010 - 2013 Periods

Type of Audit	# of Audits 2010	# of Audits 2011	# of Audits 2012	# of Audits 2013
Residential on-line				
Residential Main-in				
Residential in-home				
Residential Total				
Commercial Total				
Industrial Total				

A.

Please note the following regarding FPL's Home Energy Survey (HES) and Business Energy Evaluation (BEE) programs:

- Residential Mail-In – FPL does not offer this option (indicated by “n/a”).
- Residential Phone – FPL offers audits via telephone (added to table).
- Commercial and Industrial Consolidated – FPL does not track commercial and industrial separately, so these have been combined as “Business.”

Please note that, as a result of FPL's low customer bills, we have seen a significant decrease in customer “high bill inquiries” – typically one of the main drivers of residential In-Home and Phone HES requests. At the same time, we have been able to drive a significant increase in customers participating in FPL's Online survey channel through promotional campaigns. There are no quantity targets set for surveys by either the Commission or FPL.

See provided table, Attachment No. 1.

Q.

Pursuant to Order No. PSC-09-0855-FOF-GU, the Commission directed the investor-owned utilities to spend 10 percent of their historic energy conservation cost recovery expenditures as an annual cap for solar water heating and solar photovoltaic pilot programs. If your utility had any active solar renewable programs in 2013, please complete the following table for each program. Please add columns as necessary to provide other pertinent information that may be helpful to staff in determining whether these programs have been successful. Please provide Excel version with your response.

Solar Programs Active in 2013

Name of Program	Program Implementation Date	Number of Installs (#)	Incentive Amount Paid to Customers (\$)	Total Program Expenditures (\$)

A.

Please note the following regarding the provided table (see Attachment No. 1):

- **Program Implementation Date** – Represents the initial launch date for FPL’s Solar Pilots.
- **Renewable Research & Demonstration** – FPL projects focused on new technology research, customer education and raising awareness.
- **Solar Non-Program Specific** – Represents expenditures that are required to support the entire Solar portfolio instead of just any single pilot (e.g., costs related to the Solar reservation system).

FPL would not characterize the Solar Water Heating (SWH) and Photovoltaic (PV) Pilots as "successful." Because the largest hurdle faced by demand-side solar was financial, the following represents a reasonable and comprehensive set of issues to test with these pilots:

- (1) Could SWH or PV become cost-effective?
- (2) Would there be any market changes such as lower incremental customer cost and, most importantly, could this change be directly attributed to an FPL pilot?
- (3) Would the demand and energy savings be better than assumed?

Unfortunately, the findings in all cases were "No." Current analysis results have validated 2009 projections. The Solar Pilots remain decidedly non-cost-effective by large margins for non-participants and the participants regardless of the preliminary cost-effectiveness screening test used. FPL did not discern any significant improvements in either the availability or price of solar technologies for customers as a result of the Solar Pilots, and in one case the pricing actually got noticeably worse to the detriment of the participants. The one cost reduction that was seen could not be attributed to FPL's Pilots.

The Solar Pilots have constituted a large and concentrated cross-subsidy of a small number of customers who receive rebates to install their own systems, by the vast majority of customers who don't. For example, from 2011 through year-end 2013, approximately 950 PV systems were installed – a minuscule fraction of FPL's total customer base. Those 950 systems received rebates totaling approximately \$15.8 million, an average of about \$16,500 per system. FPL has learned little from those pilots, other than confirming that people will rush to get in line for giveaways. Indeed, the lack of cost-effectiveness unfairly places higher rate impacts on non-participating customers, many of whom do not have the resources or any practical incentive to incur the substantial financial outlay to participate in the pilot programs.