#### FLORIDA PUBLIC SERVICE COMMISSION

Item 18

#### VOTE SHEET

November 25, 2014

FILED NOV 25, 2014 DOCUMENT NO. 06501-14 FPSC - COMMISSION CLERK

**Docket No. 130199-EI** – Commission review of numeric conservation goals (Florida Power & Light Company).

Docket No. 130200-EI - Commission review of numeric conservation goals (Duke Energy Florida, Inc.).

Docket No. 130201-EI - Commission review of numeric conservation goals (Tampa Electric Company).

Docket No. 130202-EI - Commission review of numeric conservation goals (Gulf Power Company).

Docket No. 130203-EM - Commission review of numeric conservation goals (JEA).

Docket No. 130204-EM - Commission review of numeric conservation goals (Orlando Utilities Commission).

**Docket No. 130205-EI** – Commission review of numeric conservation goals (Florida Public Utilities Company).

<u>Issue 1:</u> 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.?

Recommendation: Yes. Consistent with Order No. PSC-13-0386-PCO-EU, the FEECA utilities employed a common methodology wherein the Technical Potential Study utilized for the 2009 goal-setting proceeding was updated to reflect new technologies, current marketplace conditions, and appliance and efficiency standards.

# **APPROVED**

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COMMISSION
CLERK

COMMISSIONERS ASSIGNED:

All Commissioners

COMMISSIONERS' SIGNATURES

MAJORITY

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REMARKS/DISSENTING COMMENTS:

Commissioners Edgar and Brown dissent on issues 1-9.

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<u>Issue 2:</u> 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.?

Recommendation: Yes. Consistent with Order No. PSC-09-0855-FOF-EG, the FEECA utilities correctly calculated the costs and benefits to the customers participating in the energy savings and demand reduction measures included in their goals by properly utilizing the Participants test. The goals proposed by the utilities adequately reflect these costs and benefits, pursuant to Section 366.82(3)(a), F.S.

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

Recommendation: Yes. Staff recommends that consideration of both the RIM and TRC is necessary to fulfill the requirements of Section 366.82(3)(b), F.S. Consistent with Order No. PSC-13-0386-PCO-EU, the Utilities provided information based on the RIM and TRC tests.

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<u>Issue 4:</u> 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.?

**Recommendation:** Yes. Staff recommends that the Utilities methodology of applying customer incentives for the purpose of establishing goals in this proceeding is adequate. Staff recommends that performance incentives for Utilities are not necessary at this time.

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<u>Issue 5:</u> 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.?

Recommendation: Yes. Currently there are no costs imposed by state and federal regulations on the emissions of greenhouse gases (GHG). Consistent with Order No. PSC-13-0386-PCO-EU, the Utilities filed base case goals assuming a cost of zero dollars for carbon dioxide (CO<sub>2</sub>). Pursuant to Section 366.82(6), F.S., the Commission may change the goals for a reasonable cause. Once the compliance costs associated with any regulations on the emission of GHGs are known, including carbon dioxide, the Commission has the authority to review and, if appropriate, modify goals.

## **APPROVED**

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

<u>Recommendation:</u> Consistent with Order No. PSC-09-0855-FOF-EG, a combination of the Participants Test, the RIM test, and the TRC test should all be used to set goals.

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

Recommendation: Yes. In response to Rule 25-17.0021(3), F.A.C., and Order No. PSC-13-0386-PCO-EU, the FEECA Utilities filed a base case with a two-year payback to account for free riders. The Commission has approved goals based on a two-year payback criterion to identify free riders since 1994 and staff recommends the Commission continue this policy. Each Utility should continue to broadly educate all customer groups on energy efficiency opportunities. When the FEECA Utilities file their DSM implementation plans, each plan should address how the Utilities will assist and educate their low income customers, specifically with respect to the measures with a two-year or less payback.

### **APPROVED**

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

Recommendation: The Commission should establish goals for the FEECA Utilities based upon a cost-effectiveness analysis that allows all ratepayers, participants and non-participants, to benefit from the Utilities' demand-side management programs. Staff recommends annual goals based upon the unconstrained RIM Achievable Potential be adopted. As the RIM test eliminates cross-subsidies, using an unconstrained RIM allows for maximum participation by customers while keeping rates equitable. Based upon staff's recommendation in Issues 5 and 7, staff recommends the use of two-year payback as a free-ridership screen and no inclusion of potential CO<sub>2</sub> costs to establish goals. A breakdown of annual goals for each of the utilities is included in Attachment B of staff's memorandum dated November 13, 2014.

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

Recommendation: As discussed in Issue 8, staff recommends annual goals based upon the unconstrained RIM achievable potential be adopted. Based upon staff's recommendation in Issues 5 and 7, staff recommends the use of two-year payback as a free-ridership screen and no inclusion of potential CO<sub>2</sub> costs to establish goals. A breakdown of annual goals for each of the utilities is included in Attachment C of staff's memorandum dated November 13, 2014.

# **APPROVED**

<u>Issue 10:</u> 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.?

Recommendation: Each of the IOUs should continue to implement the provisions of Rule 25-6.065, F.A.C., Interconnection and Net Metering of Customer-Owned Renewable Generation. The rule is an appropriate means to encourage the development of demand-side renewable energy, as it expedites the interconnection of customer-owned renewable energy systems and benefits participating customers through net metering.

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<u>Issue 11:</u> Should the Company's existing solar pilot programs be extended and, if so, should any modifications be made to them?

Recommendation: No. Staff recommends that the existing solar pilot programs be allowed to expire December 31, 2015. The programs are not cost-effective and experience gained since the last goals proceeding indicates that consumers have continued to install systems without any rebates. The current solar rebates represent a large subsidy from the general body of ratepayers to a very small segment of each utility's customers.

APPROVED as modified. Commission directed solar power programs continue through 12.31.15. The Commission will move forward with a worthshop to thoroughly address the issues discussed today at Commission Conference.

Issue 12: Should these dockets be closed?

**Recommendation:** Yes. These dockets should be closed after the time for filing an appeal has run. Within 90 days of the issuance of the final order, each Utility should file a demand-side management plan designed to meet the Utility's approved goals.