

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Request to opt-out of cost recovery for investor-owned electric utility energy efficiency programs by Wal-Mart Stores East, LP and Sam's East, Inc. and Florida Industrial Power Users Group .

DOCKET NO. 140226-EI

Date: June 22, 2015

**THE SOUTHERN ALLIANCE FOR CLEAN ENERGY'S
PREHEARING STATEMENT**

The Southern Alliance for Clean Energy ("SACE"), by and through its undersigned counsel, and pursuant to Order No. PSC-15-0149-PCO-EI, filed April 1, 2015, hereby files its Prehearing Statement.

1. Appearances

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Attorney for Southern Alliance for Clean Energy

2. Witnesses

SACE is not sponsoring any witnesses.

3. Statement of Basic Position

The Commission should not allow customers who implement their own energy efficiency or demand side management programs to not be required to pay the Energy Conservation Cost Recovery ("ECCR") charges for the Demand Side Management ("DSM") programs approved by the Commission. The Florida Investor Owned Utilities ("IOUs") and Commission's reliance on the Ratepayer Impact Measure ("RIM") test resulted in anemic DSM goals in the FEECA DSM goal-setting docket. It is SACE's position that the Florida IOUs and Commission's reliance on

the RIM test to identify which DSM measures and programs are cost-effective for Floridians results in artificially low DSM goals. By using this overly conservative lens to establish DSM goals, the Commission approved a portfolio that even the IOUs agree will benefit their customers.

The RIM test is designed to evaluate the rate impact of utility DSM programs on all customers. The Florida IOUs point out in their testimony that a DSM measure or program passes RIM, the rate uplift associated with the cost of the measure or program is mitigated by lowering other costs. Thus, it is irrational to allow any customer to opt out of paying the ECCR charge. If the customer chooses to additional energy efficiency that will reduce their respective bill, they are not prohibited from doing so.

4. SACE's Position on the Issues

ISSUE 1: Should the Commission require the utilities to separate their Energy Conservation Cost Recovery expenditures into two categories, one for Energy Efficiency programs and the other for Demand Side Management programs?

SACE: No. SACE agrees with Duke Energy Florida, Florida Power & Light, Gulf Power and TECO that it is not appropriate to require a utility to separate their Energy Conservation Cost Recovery expenditures into two categories. In Florida, splitting the charge is particularly inappropriate because of the Commission and IOUs reliance on the RIM test to determine energy efficiency savings. As RIM is the most narrowly defined of the EE cost-benefit tests, all customers benefit from the programs, both participants and non-participants. Participants benefit from bill savings and electric rate reductions, and non-participants also benefit from the electric rate reduction. SACE notes that there are many other DSM benefits that the RIM test does not measure. Further, many energy efficiency measures accrue demand savings, and vice versa, making the calculation of the ECCR difficult if the charge is split into two categories.

ISSUE 2: Should the Commission allow pro-active non-residential customers who implement their own energy efficiency programs and meet certain other criteria to opt out of the utility's Energy Efficiency programs and not be required to pay the cost recovery charges for the utility's Energy Efficiency programs approved by the Commission pursuant to Section 366.82, Florida Statutes?

SACE: No. The Commission should not allow customers who implement their own energy efficiency or demand side management programs to not be required to pay the cost recovery charges for the DSM programs approved by the Commission. The IOUs and Florida Commission's reliance on RIM test resulted in anemic DSM goals. It is SACE's position that the Florida IOUs and Commission's reliance on the RIM test to identify which DSM measures and programs are cost-effective for Floridians results in artificially low DSM goals.

The RIM test is designed to evaluate the rate impact of utility DSM programs on all customers. The Florida IOUs point out in their testimony that a DSM measure or program passes RIM, the rate uplift associated with the cost of the measure or program is mitigated by lowering other costs. Thus, it is irrational to allow any customer to opt out of paying the ECCR charge. If a customer chooses to install additional DSM measures that will reduce their respective bill, they are not prohibited from doing so.

ISSUE 3: If the Commission allows pro-active customers to opt out of participating in, and paying for, a utility's Energy Efficiency programs, what criteria should the Commission apply in determining whether customers who wish to opt out are eligible to do so.

POSITION: SACE reiterates that the Commission should not allow customers to "opt out" of a utility's EE or DSM programs. There are no criteria that are appropriate, based on the use of RIM tests to determine cost-effectiveness, for a customer to "opt-out" of the utility's approved DSM programs.

SACE ISSUE 4: Given the provisions in Chapters 366 and 120 Florida Statutes, can the Commission grant Petitioners' requested relief through Commission order in this docket?

SACE: No. It is not clear that the Commission's authority extends to the relief requested by Petitioners. Assuming *arguendo*, that the Commission does have the statutory authority to provide said the relief, the implementation must take place through agency rulemaking as the petitioners' request necessarily requires an agency statement of general applicability that implements, interprets, or prescribes law or policy.

5. Stipulated Issues

There are no stipulated issues at this time.

6. Pending Motions

SACE has no pending motions at this time.

7. Pending Confidentiality Claims or Requests

SACE has no pending confidentiality claims or requests.

8. Objections to Witness Qualifications as an Expert

SACE has no objections to any witness's qualifications as an expert.

9. Compliance with Order No. PSC-15-0149-PCO-EI

SACE has complied with all requirements of the Order Establishing Procedure entered in this docket.

Dated: June 22, 2015

Respectfully Submitted,

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*Attorney for Southern Alliance for
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CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing was served by electronic mail this 22nd day of June, 2015, to the following:

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