

Angela Charles

From: Kathy Shoaf
Sent: Wednesday, November 25, 2015 8:47 AM
To: CLK - Agenda Staff; Commissioners & Staffs; Braulio Baez; Lisa Harvey; Apryl Lynn; Charlie Beck; Mary Anne Helton; Cindy Muir; Greg Shafer; Judy Harlow; Lee Eng Tan; Keino Young
Cc: Kate Hamrick; Terri Fleming; Kathy Shoaf
Subject: Approved Request to make Oral Modification for Item 20 Dkt. No. 140226-EI, 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 Industria...

Please see attached Approved Request for Oral Modification.
Thank you.

Kathy Shoaf

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Braulio Baez, Executive Director
Florida Public Service Commission
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From: Braulio Baez
Sent: Tuesday, November 24, 2015 4:57 PM
To: Greg Shafer; Lisa Harvey
Cc: Kate Hamrick; Kathy Shoaf
Subject: RE: Request for Approval to make Oral Modification for Item 20 Dkt. No. 140226-EI, 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 Industria...

Approved. Thanks

Sent from my T-Mobile 4G LTE Device

----- Original message -----

From: Greg Shafer <GShafer@PSC.STATE.FL.US>
Date: 11/24/2015 4:49 PM (GMT-05:00)
To: Braulio Baez <BBaez@PSC.STATE.FL.US>, Lisa Harvey <LSHarvey@PSC.STATE.FL.US>
Cc: Kate Hamrick <KHamrick@psc.state.fl.us>, Kathy Shoaf <kshoaf@psc.state.fl.us>
Subject: Request for Approval to make Oral Modification for Item 20 Dkt. No. 140226-EI, 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

Staff requests approval to make an oral modification to Item 20 on the December 3, 2015, Commission Conference. Staff's proposed modification is removes an incorrect subheading and inserts missing language. Both changes affect page 22.

The following subsection on page 22 should appear as follows:

Customer Incentive Programs

The Commission's most recent DSM goals order requires that approved energy efficiency savings pass the RIM test and have a payback period greater than two years to minimize the number of free riders. Primary staff is concerned that Wal-Mart, FIPUG, and others would be able to opt out of paying for energy efficiency programs without guarantees that opt-out customers would achieve energy efficiency savings that would pass the RIM test and would have a payback period greater than two years.^[1] In response to questioning by OPC, witness Baker acknowledged that Wal-Mart's proposal does not rely on a RIM test. (TR 80) Witness Chriss, however, states that if the Commission wants to run a RIM test on an opt-out customer's programs, "I don't think we'd necessarily be opposed to that." (TR 128) FIPUG was silent on using the RIM test on opt-out customers' energy efficiency investments.

Utility-sponsored programs that pass the RIM test put downward pressure on rates and are therefore beneficial to the general body of ratepayers. The utilities' Commission-approved goals are based on the RIM cost-effectiveness test. (TR 339) Opt-out customers have proposed avoiding ECCR payments by making (or promising to make) energy efficiency decisions that are beneficial to these customers. It is reasonable to expect that some of these investment decisions will not pass the RIM test. Historically, the Commission has encouraged customers to use energy efficiently. Any customer has an incentive to make energy efficiency decisions that are in his or her own best economic interests. However, it is the role of the Commission to ensure that utility-sponsored programs and related policies are in the best interest of the general body of ratepayers. Primary staff does not believe Wal-Mart and FIPUG have provided sufficient evidence that their **energy efficiency investments are beneficial to the general body of ratepayers.**

Greg Shafer

^[1] Order No. PSC-14-0696-FOF-EU, issued December 16, 2014, Dockets Nos. 130199-EI, 130200-EI, 130201-EI, 130202-EI, 130203-EM, and 130204-EM, In re: Commission review of numeric conservation goals of FPL, DEF, TECO, Gulf, FPUC, JEA, and OUC, pg. 43.