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April 30, 2020

VIA ELECTRONIC FILING

Adam J. Teitzman, Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

Re: *Duke Energy Florida, LLC's Petition for Approval of Proposed Demand-Side Management Plan*; Docket No. 20200054-EG

Dear Mr. Teitzman:

Please find enclosed for electronic filing Duke Energy Florida, LLC's Response to Staff's Second Data Request (Nos. 1-12).

Thank you for your assistance in this matter. Please feel free to call me at (850) 521-1428 should you have any questions concerning this filing.

Sincerely,

/s/ Matthew R. Bernier

Matthew R. Bernier

MRB/cmkn
Enclosure

cc: Charles Murphy
Gabiella Passidomo
Orlando Wooten

**Duke Energy Florida, LLC's Response to
Staff's Second Data Request Regarding Duke Energy Florida, LLC's
Petition for Approval of Proposed Demand-Side Management Plan**

Docket No. 20200054-EG

1. Please refer to DEF's Response to Staff's First Data Request, Question No. 1. For all Residential programs, please provide the Rate Impact Measure (RIM), Total Resource Cost (TRC), and Participants Test (PCT) values on an individual program basis. Please provide this response in electronic (Excel) format. This should be done for the scenarios listed below:
 - a. Programs in their original 2015 DSM Plan configurations with 2020 DSM Plan economic assumptions (**Updated 2015 DSM Plan**).

Response:

The creation and required modeling around developing the filed portfolio of programs to meet the requirements of the Commission's order in the DSM goal setting docket took approximately 3 months; providing a response to this request would require a similar amount of effort and take a comparable amount of time.

- b. Programs in their original 2015 DSM Plan configurations with 2020 DSM Plan economic assumptions, and for those that do not pass the RIM Test, sufficiently reduced incentives that allow them to pass the cost effectiveness test, if possible (**Updated 2015 DSM Plan-RIM**).

Response:

The creation and required modeling around developing the filed portfolio of programs to meet the requirements of the Commission's order in the DSM goal setting docket took approximately 3 months; providing a response to this request would require a similar amount of effort and take a comparable amount of time.

2. Please refer to DEF's Response to Staff's First Data Request, Question No. 2. For all Commercial/Industrial and Demand Response programs, please provide the RIM, TRC, and PCT values on an individual program basis. Please provide this response in electronic (Excel) format. This should be done for the scenarios listed below:
 - a. **Updated 2015 DSM Plan.**

Response:

The creation and required modeling around developing the filed portfolio of programs to meet the requirements of the Commission's order in the DSM goal setting docket took approximately 3 months; providing a response to this request would require a similar amount of effort and take a comparable amount of time.

b. **Updated 2015 DSM Plan-RIM.**

Response:

The creation and required modeling around developing the filed portfolio of programs to meet the requirements of the Commission's order in the DSM goal setting docket took approximately 3 months; providing a response to this request would require a similar amount of effort and take a comparable amount of time.

3. Please refer to DEF's Response to Staff's First Data Request, Question No. 5. Using Updated 2015 DSM Plan-RIM, please provide a table identifying the projected program participation for each residential, commercial/industrial and demand response program for the years 2020 through 2024.
 - a. Please explain any differences in the projected program participation for the specified time period between DEF's 2015 DSM Plan and DEF's Updated 2015 DSM Plan-RIM.

Response:

The creation and required modeling around developing the filed portfolio of programs to meet the requirements of the Commission's order in the DSM goal setting docket took approximately 3 months; providing a response to this request would require a similar amount of effort and take a comparable amount of time.

4. Please refer to DEF's Response to Staff's First Data Request, Question No. 6. Using Updated 2015 DSM Plan-RIM, please provide a table identifying the projected program savings for each residential, commercial/industrial and demand response program for the years 2020 through 2024.
 - a. Please explain any differences in the projected program savings for the specified time period between DEF's 2015 DSM Plan and DEF's Updated 2015 DSM Plan-RIM.

Response:

The creation and required modeling around developing the filed portfolio of programs to meet the requirements of the Commission's order in the DSM goal setting docket took approximately 3 months; providing a response to this request would require a similar amount of effort and take a comparable amount of time.

5. Please refer to DEF's Response to Staff's First Data Request, Question No. 7. Using Updated 2015 DSM Plan-RIM, please provide a table identifying the projected customer incentives for each residential, commercial/industrial and demand response program for the years 2020 through 2024.
 - a. Please explain any differences in the projected customer incentives for the specified time period in these filings between DEF's 2015 DSM Plan and DEF's Updated 2015 DSM Plan-RIM.

Response:

The creation and required modeling around developing the filed portfolio of programs to meet the requirements of the Commission's order in the DSM goal setting docket took approximately 3 months; providing a response to this request would require a similar amount of effort and take a comparable amount of time.

6. Please refer to DEF's Response to Staff's First Data Request, Question No. 8. Using Updated 2015 DSM Plan-RIM, please provide the total projected annual bill impact (at 1,000 kilowatt-hours (kWh) and 1,200 kWh) on the general body of customers' monthly bills for each of the proposed residential, commercial/industrial and demand response DSM programs.

Response:

The creation and required modeling around developing the filed portfolio of programs to meet the requirements of the Commission's order in the DSM goal setting docket took approximately 3 months; providing a response to this request would require a similar amount of effort and take a comparable amount of time.

7. Please refer to DEF's Response to Staff's First Data Request, Question No. 9. Using Updated 2015 DSM Plan-RIM, please provide the total projected annual program costs for each residential, commercial/industrial and demand response DSM programs for the years 2020 through 2024.

Response:

The creation and required modeling around developing the filed portfolio of programs to meet the requirements of the Commission's order in the DSM goal setting docket took approximately 3 months; providing a response to this request would require a similar amount of effort and take a comparable amount of time.

8. Please refer to DEF's Response to Staff's First Data Request, Question No. 10. Using Updated 2015 DSM Plan-RIM, please provide a table identifying the projected annual program savings that will contribute to the Commission-approved DSM goals for each of the proposed residential, commercial/industrial and demand response DSM programs.

Response:

The creation and required modeling around developing the filed portfolio of programs to meet the requirements of the Commission's order in the DSM goal setting docket took approximately 3 months; providing a response to this request would require a similar amount of effort and take a comparable amount of time.

9. Please provide the total projected Energy Conservation Cost Recovery (ECCR) rate (at 1,000 kWh and 1,200 kWh) on the general body of customers' monthly bills for each of the proposed residential, commercial/industrial and demand response DSM programs. Complete this for the scenarios listed below:

- a. Updated 2015 DSM Plan.

Response:

The creation and required modeling around developing the filed portfolio of programs to meet the requirements of the Commission's order in the DSM goal setting docket took approximately 3 months; providing a response to this request would require a similar amount of effort and take a comparable amount of time.

- b. Updated 2015 DSM Plan – RIM.

Response:

The creation and required modeling around developing the filed portfolio of programs to meet the requirements of the Commission's order in the DSM goal setting docket took approximately 3 months; providing a response to this request would require a similar amount of effort and take a comparable amount of time.

- c. 2020 DSM Plan.

Response:

Please see Response to Staff DR 1 – Q8.

- 10. Please provide the historic ECCR average monthly rates for the years 2015 through 2019.

Response:

The historical ECCR residential rates per 1000 kWh's for 2015 through 2019 were follows:

2015 - \$2.70
2016 - \$3.25
2017 - \$3.17
2018 - \$2.28
2019 - \$2.97

- 11. Please provide the administrative cost per participant for the following programs from the Company's last DSM Plan (2015-2019) and the Company's new DSM Plan (2020-2024). Please provide explanations for any differences of 15 percent or more.

- a. Business Energy Check.
- b. Residential Energy Wise.
- c. Commercial Interruptible.
- d. Commercial Curtailable.

Response:

Please see attached Excel File DR2 Q11_Final.xlsx.

12. According to DEF’s Response to Staff’s First Data Request, Question No. 19, DEF’s projected administrative cost per participant for the Home Energy Check for 2020-2024 is \$169.

a. What is DEF’s historical administrative cost per participant for the program?

Response:

Historical Administrative Costs per Audit					
	2016	2017	2018	2019	Average
Administrative Costs	4,234,458	4,447,609	4,404,119	3,930,824	4,254,252
Participants	32,172	37,059	34,900	30,314	33,611
Administrative Cost Per Participant	\$ 132	\$ 120	\$ 126	\$ 130	\$ 127

b. If there is a difference of 15 percent or more, please explain.

Response:

The \$169 average administrative cost in the 2020 Plan is 34% higher than the average historical cost of \$127 over the 2016-2019 time-period. The increase in the average administrative cost per audit is primarily driven a 2.5% escalation factor applied annually in the 2020 Program Plan, costs to implement a new online audit tool, and a projected decrease in the annual number of audits. The 2020 Plan assumes 25,000 audits performed annually compared to an annual average of 33,611 for 2016-2019 time-period. This decrease is driven in part by an expected decline in requests for audits of multi-family homes. Although DEF will continue to market the audits to customers in multi-family homes, DEF anticipates fewer audits as most of the incentives for multi-family efficiency measures have been eliminated because they were no longer cost effective. Additionally, many program management costs and system support costs are fixed and are not expected to be impacted by the lower participation projections.

DEF
PROGRAM PLAN - DOCKET 20200054
DR 2 Q 11

	2015 Program Plan					2020 Program Plan					Difference					Percent Change					EXPLANATIONS OF CHANGES
	2020	2021	2022	2023	2024	2020	2021	2022	2023	2024	2020	2021	2022	2023	2024	2020	2021	2022	2023	2024	
Business Energy Check																					
Administrative Costs	\$ 735,886	\$ 497,889	\$ 314,454	\$ 185,358	\$ 101,982	\$ 601,318	\$ 631,759	\$ 631,759	\$ 647,553	\$ 663,742	\$ (134,569)	\$ 133,870	\$ 317,306	\$ 462,195	\$ 561,760						The increase in cost from a cost per audit perspective is primarily due to changes in the type and level of support provided to customers through this program. The participation projections reflect the estimated number of walk-through audits, however, because there is wide diversity across the commercial customer base, DEF supports customers' energy conservation efforts not only through audits, but through a number of other means including face-to-face meetings, phone consultations, and access to online information about energy savings opportunities through its programs and access to applications for incentives.
Participants	1,041	687	420	250	156	400	400	400	400	400	(641)	(287)	(20)	150	244						
Admin Cost per Participant	\$ 707	\$ 725	\$ 749	\$ 741	\$ 654	1,503	1,579	1,579	1,619	1,659	796	855	831	877	1,006	113%	118%	111%	118%	154%	
Residential Energy Wise																					
Administrative Costs	\$4,484,075	\$4,596,177	\$4,711,081	\$4,828,858	\$4,949,580	\$5,848,329	\$5,994,537	\$6,144,401	\$6,298,011	\$6,455,461	\$1,364,254	\$1,398,360	\$1,433,319	\$1,469,152	\$1,505,881						Administrative costs for the residential demand response are primarily related to the cost to maintain and administer the program for the existing population of program participants versus annual new participants over the Plan period. DEF's residential load management program currently has approximately 440,000 existing participants and the costs to administer and support the program have increased over the past few years due to increased focus on maintenance, updated technologies, and systems and software necessary to support the updated technologies.
Participants	8700	8700	8700	8700	8700	2500	2500	2500	2500	2500	(6,200)	(6,200)	(6,200)	(6,200)	(6,200)						
Admin Cost per Participant	\$ 515	\$ 528	\$ 542	\$ 555	\$ 569	\$ 2,339	\$ 2,398	\$ 2,458	\$ 2,519	\$ 2,582	\$ 1,824	\$ 1,870	\$ 1,916	\$ 1,964	\$ 2,013	354%	354%	354%	354%	354%	
Interruptible Service																					
Administrative Costs	\$ 186,865	\$ 191,537	\$ 196,325	\$ 201,234	\$ 206,264	\$ 456,122	\$ 487,790	\$ 508,293	\$ 533,775	\$ 564,577	\$ 269,257	\$ 296,253	\$ 311,968	\$ 332,541	\$ 358,313						Administrative costs are a combination of embedded costs associated with maintaining the system for existing participants plus incremental costs for new participants. DEF's 2015 Plan did not include any Administrative Costs for the Curtailable Program because at that time all Administrative costs related to the Commercial demand response were being charged to the Interruptible Program as at that time and currently today there are only 2 customers participating on the Curtailable Program. The administrative costs in the 2020 Plan reflect the embedded costs for the existing participants plus increases for incremental participants projected to be added in the 2020-2024 time period.
Participants	1	1	1	1	1	16	10	4	6	8	15	9	3	5	7						
Admin Cost per Participant	\$ 186,865	\$ 191,537	\$ 196,325	\$ 201,234	\$ 206,264	\$ 28,508	\$ 48,779	\$ 127,073	\$ 88,962	\$ 70,572	\$ (158,358)	\$ (142,758)	\$ (69,252)	\$ (112,271)	\$ (135,692)	-85%	-75%	-35%	-56%	-66%	
Curtailable Service																					
Administrative Costs	0	0	0	0	0	\$ 40,066	\$ 40,066	\$ 42,114	\$ 42,114	\$ 44,162	\$ 40,066	\$ 40,066	\$ 42,114	\$ 42,114	\$ 44,162						Administrative costs are a combination of embedded costs associated with maintaining the system for existing participants plus incremental costs for new participants. As stated above, the 2015 Plan did not include any Administrative costs for the Curtailable program as at that time there were only 2 customers on the Curtailable program and the Administrative costs were charged to the Interruptible program.
Participants	2	2	2	3	3	1	-	1	-	1	-1	-2	-1	-3	-2						
Admin Cost per Participant	0	0	0	0	0	\$ 40,066	\$ 42,114	\$ 42,114	\$ 44,162	\$ 44,162	\$ 40,066	\$ -	\$ 42,114	\$ -	\$ 44,162	0%	0%	0%	0%	0%	