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June 28, 2021

**VIA: ELECTRONIC FILING**

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

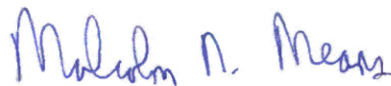
Re: Docket No. 20200181 – Second Post-Workshop Comments on the proposed amendments to Rule 25-17.0021, F.A.C.

Dear Mr. Teitzman,

Attached for filing in the above docket are Tampa Electric Company's Second Post-Workshop Comments.

Thank you for your assistance in connection with this matter.

Sincerely,



Malcolm N. Means

MNM/bmp  
Attachment  
cc: Service List (w/attachment)

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

Proposed Amendment of Rule 25-17.0021, F.A.C. )  
Goals for Electric Utilities )  
\_\_\_\_\_ )

DOCKET NO. 20200181-EI

FILED: June 28, 2021

**TAMPA ELECTRIC COMPANY'S  
SECOND POST-WORKSHOP COMMENTS**

Tampa Electric Company (“Tampa Electric” or “the company”), submits the following Second Post-Workshop Comments addressing Commission Staff’s proposed amendments to Rule 25-17.0021, Florida Administrative Code, governing Goals for Electric Utilities:

As stated in the company’s First Post-Workshop Comments and during this Second Workshop, Tampa Electric supports the current proposed changes to Rule 25-17.0021 and agrees that the changes will add more clarity and transparency to the goal-setting process.

Tampa Electric appreciated the opportunity to provide comments and listen to the feedback provided by the other stakeholders at the Commission Staff’s Demand Side Management (“DSM”) Rulemaking Workshop on May 18, 2021. The company also appreciates the opportunity to provide these additional specific written comments toward providing additional clarification on the proposed Rule changes and how they would be implemented for the following topics:

- a. Low-income programs
- b. Free-ridership considerations
- c. Additional cost-effectiveness tests

**Low-income programs:**

Tampa Electric fully supports offering low-income programs to customers that are unable to participate in one of the company's rebate-type programs. Tampa Electric believes the existing rules as they are currently written, as well as the Commission's past practices and support, allow for the company to offer very impactful low-income programs. These programs include a variety of energy efficiency measures which have very quick paybacks in addition to the overall program typically having a slightly negative cost-effectiveness score.

**Free-ridership considerations:**

Minimizing the amount of free ridership as much as practical, is essential to an effective and efficient DSM program. As explained at the Second Workshop, it is also important that the method is easy to understand by customers so that when they want to participate in a program, such as a custom DSM Program, they have some certainty regarding the outcome of that program. The method that has been proposed by other stakeholders essentially does nothing to minimize or prevent free-ridership, it merely spends non-value-added dollars to perform evaluation, measurement and verification ("EM&V") to determine how many free-riders did participate so the demand and energy savings contributions which were incentivized by the utility can be removed toward goal achievements. As one of the stakeholders explained, they estimated the cost to perform this EM&V to be about five percent of the amount utilities spend on conservation. While this percentage may seem low, on an annual \$45 million DSM Plan spend, this equates to \$2.25 million per year or \$11.25 million over a five-year goal setting period which does nothing to minimize, deter, or eliminate free-ridership. As Tampa Electric's witness Roche said in the most recent DSM Goals hearings, when

addressing free-ridership, “I don’t want to go out there and spend four dollars in conservation clause money to save a dollar over there.”<sup>1</sup>

Tampa Electric has successfully used the two-year simple payback screening method for considering free-ridership since 1991. It is a simple, easy to understand and objective way to avoid having the general body of utility customers, which includes non-participating customers, pay for conservation activities that customers would undertake on their own, even in the absence of a monetary incentive from the utility. Tampa Electric is open to exploring different methods or timing related to free-ridership consideration, however, the company would recommend further dialogue and analysis to fully understand the intent and impacts of any alternative method before adopting that that different method.

**Additional cost-effectiveness tests:**

Tampa Electric does not support including any changes to the current method for evaluating the cost-effectiveness of DSM Measures and Programs in Florida at this time. The State of Florida has delivered cost-effective DSM with great success for four decades. Tampa Electric alone has eliminated the need for over seven peaking power plants during this time. The three cost effectiveness tests that are outlined in the Florida Public Service Commission cost-effectiveness manual and performed to evaluate programs are all very important and are available to be used by the Commission for setting utility conservation goals as required by the Florida Energy Efficiency and Conservation Act (“FEECA”). For purposes of this rulemaking proceeding, the company does not believe the full impacts of other alternatives for determining conservation program cost-effectiveness are understood to a satisfactory level to merit a change of the existing Rule language or the insertion of other language

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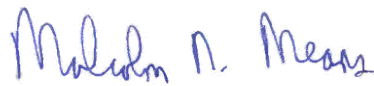
<sup>1</sup> Doc. No. 08343-2019, filed August 22, 2019 in Docket No. 20190021-EG, *Commission Review of Numeric Conservation Goals for Tampa Electric*, at 917:16-18.

or methodologies pertaining to cost-effectiveness. Tampa Electric is more than willing to explore and consider the use of a different primary test or different cost-effectiveness test for DSM evaluations in the future once the full impacts are understood and agreed upon.

WHEREFORE, Tampa Electric Company submits the foregoing Second Post-Workshop Comments on the proposed amendments to Rule 25-17.0021, F.A.C.

DATED this 28<sup>th</sup> day of June, 2021.

Respectfully submitted,



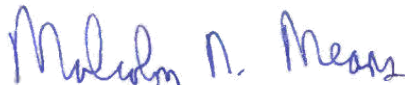
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ATTORNEYS FOR TAMPA ELECTRIC COMPANY

**CERTIFICATE OF SERVICE**

I HEREBY CERTIFY that a true and correct copy of the foregoing Second Post-Workshop Comments, filed on behalf of Tampa Electric Company, has been furnished by electronic mail on this 28<sup>th</sup> day of June, 2021 to the following:

<p><b>JEA</b> Mr. Berdell Knowles 21 West Church Street Jacksonville, FL 32202 <a href="mailto:knowl@jea.com">knowl@jea.com</a></p> <p><b>Advanced Energy Economy</b> Ebo Entsuah/Leah Rubin Shen 1000 Vermont Ave., NW 3rd Floor Washington, DC 20005 <a href="mailto:entsuah@aee.net">entsuah@aee.net</a> <a href="mailto:lrubinshen@aee.net">lrubinshen@aee.net</a></p> <p><b>Joint Administrative Procedures Committee</b> Ken Plante, Coordinator 680 Pepper Bldg. 111 W. Madison Street Tallahassee, FL 32399 <a href="mailto:Joint.admin.procedure@leg.state.fl.us">Joint.admin.procedure@leg.state.fl.us</a></p> <p><b>Peoples Gas Systems</b> Paula K. Brown P.O. Box 111 Tampa, FL 33601 <a href="http://regdept.tecoenergy.com">regdept.tecoenergy.com</a></p> <p><b>Orlando Utilities Commission</b> Mr. W. Christopher Browder P.O. Box 3193 Orlando, FL 32802 <a href="mailto:cbrowder@ouc.com">cbrowder@ouc.com</a></p> <p><b>Net-Plus Solar Power Group</b> Achim Ginsberg-Klemmt <a href="mailto:achim@srqus.com">achim@srqus.com</a></p>	<p><b>Office of Public Counsel</b> Patty Christensen c/o The Florida Legislature 111 W. Madison Street, Room 812 Tallahassee, FL 32399-1400 <a href="mailto:Christensen.patty@leg.state.fl.us">Christensen.patty@leg.state.fl.us</a></p> <p><b>Southern Alliance for Clean Energy</b> George Cavros 120 E. Oakland Park Blvd. Ft. Lauderdale, FL 33334 <a href="mailto:George@cleanenergy.org">George@cleanenergy.org</a></p> <p>Katie Chiles Ottenweller <b>Vote Solar</b> 151 Estoria Street SE Atlanta GA 30316 <a href="mailto:katie@votesolar.org">katie@votesolar.org</a></p> <p><b>Cindy Miller LLC</b> Cindy Miller 1544 Cristobal Drive Tallahassee, FL 32301 <a href="mailto:milcindy@gmail.com">milcindy@gmail.com</a></p> <p><b>Rhonda Roff</b> <a href="mailto:marshmaid@gmail.com">marshmaid@gmail.com</a></p> <p><b>Environmental Confederation of Southwest Florida; and League of United Latin American Citizens of Florida</b> Bradley Marshall 111 S. Martin Luther King Jr. Blvd. Tallahassee, FL 32301 <a href="mailto:bmarshall@earthjustice.org">bmarshall@earthjustice.org</a></p> <p style="text-align: center;"> _____ ATTORNEY</p>
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