

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

NOTICE OF RULE DEVELOPMENT WORKSHOP

TO

ALL ELECTRIC UTILITIES

AND

ALL OTHER INTERESTED PERSONS

DOCKET NO. 20200181-EU

IN RE: PROPOSED AMENDMENT OF RULE 25-17.0021, F.A.C.,
GOALS FOR ELECTRIC UTILITIES.

ISSUED: November 10, 2022

NOTICE is hereby given that a staff rule development workshop will be held to obtain comments on potential amendments to Rule 25-17.0021, F.A.C. The workshop will be held at the following time and place:

November 30, 2022, at 1:00 p.m.
Room 148, Betty Easley Conference Center,
4075 Esplanade Way,
Tallahassee, Florida 32399-0850

The workshop will be available to view via livestream on the Commission's website at <http://www.psc.state.fl.us/Conferences/AudioVideoEventCoverage>.

The agenda for the workshop and the most recent draft of the rule are attached. One or more Commissioners may be in attendance and participate in the workshop. The person to be contacted regarding this rule development is Jon Rubottom at jrubotto@psc.state.fl.us.

In accordance with the Americans with Disabilities Act, persons needing a special accommodation to participate at this workshop should contact the Office of Commission Clerk no later than five days prior to the workshop at 2540 Shumard Oak Boulevard., Tallahassee, Florida 32399-0850 or 850-413-6770 (Florida Relay Service, 1-800-955-8770 Voice or 1-800-955-8771 TDD). Assisted Listening Devices are available upon request from the Office of Commission Clerk, Gerald L. Gunter Building, Room 152.

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If a named storm or other disaster requires cancellation of the workshop, a notice of the cancellation will be provided in the Commission docket file and on the Commission's website (<http://www.floridapsc.com/>) under the Hot Topics link found on the home page. Cancellation can also be confirmed by calling the Office of the General Counsel at 850-413-6199.

By DIRECTION of the Florida Public Service Commission this 10th day of November, 2022.



ADAM J. TEITZMAN
Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399
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Copies furnished: A copy of this document is provided to the parties of record at the time of issuance and, if applicable, interested persons.

JHR

1 **25-17.0021 Goals for Electric Utilities.**

2 (1) The Commission will ~~shall~~ initiate a proceeding at least once every five years to
3 establish numerical goals for each affected electric utility, as defined by Section 366.82(1)(a),
4 F.S., to reduce the growth rates of weather-sensitive peak demand, to reduce and control the
5 growth rates of electric consumption, and to increase the conservation of expensive resources,
6 such as petroleum fuels. The Commission will set annual Overall Residential kilowatt (KW)
7 and kilowatt-hour (KWH) goals and annual overall Commercial/Industrial KW and KWH
8 goals shall be set by the Commission for each year over a ten-year period. The goals will ~~shall~~
9 be based on:

10 (a) An assessment of the technical potential of available measures; and

11 (b) aAn estimate of the total cost-effective KW kilowatt and KWH kilowatt-hour
12 savings reasonably achievable through demand-side management programs in each utility's
13 service area over a ten-year period.

14 (2) Pursuant to the schedule in an order establishing procedure in the proceeding to
15 establish demand-side management goals, each utility must file a technical potential study.
16 The Commission shall set goals for each utility at least once every five years. The technical
17 potential study must be used to develop the proposed demand-side management goals, and it
18 must assess the full technical potential of all available demand-side conservation and
19 efficiency measures, including demand-side renewable energy systems, associated with each
20 of the following market segments and major end-use categories.

21 Residential Market Segment:

22 (Existing Homes and New Construction should be separately evaluated) Major End-Use

23 Category

24 (a) Building Envelope Efficiencies.

25 (b) Cooling and Heating Efficiencies.

- 1 (c) Water Heating Systems.
- 2 (d) Lighting Efficiencies.
- 3 (e) Appliance Efficiencies.
- 4 (f) Peak Load Shaving.
- 5 (g) Solar Energy and Renewable Energy Sources.
- 6 (h) Natural Gas Substitutes for Electricity.

7 Commercial/Industrial Market Segment:

8 (Existing Facilities and New Construction should be separately evaluated) Major End-Use

9 Category

- 10 (i) Building Envelope Efficiencies.
- 11 (j) Cooling and Heating Efficiencies.
- 12 (k) Lighting Efficiencies.
- 13 (l) Appliance Efficiencies.
- 14 (m) Power Equipment/Motor Efficiency.
- 15 (n) Peak Load Shaving.
- 16 (o) Water Heating Systems.
- 17 (p) Refrigeration/Freezing Equipment.
- 18 (q) Solar Energy and Renewable Energy Sources.
- 19 (r) Natural Gas Substitutes for Electricity.
- 20 (s) High Thermal Efficient Self Service Cogeneration.

21 Each utility's filing must describe how the technical potential study was used to develop the
22 goals filed pursuant to subsection (3) below, including identification of measures that were
23 analyzed but excluded from consideration. ~~The Commission on its own motion or petition by a~~
24 substantially affected person or a utility may initiate a proceeding to review and, if
25 appropriate, modify the goals. All modifications of the approved goals, plans and programs

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1 ~~shall only be on a prospective basis.~~

2 (3) Pursuant to the schedule in an order establishing procedure in the proceeding to
3 establish demand-side management goals, each utility must file its proposed demand-side
4 management goals. In a proceeding to establish or modify goals, each utility shall propose
5 numerical goals for the ten year period and provide ten year projections, based upon the
6 utility's most recent planning process, of the total, cost effective, winter and summer peak
7 demand (KW) and annual energy (KWH) savings reasonably achievable in the residential and
8 commercial/industrial classes through demand-side management. Each utility must also file
9 demand-side management goals developed under two scenarios: one scenario that includes
10 potential demand-side management programs that pass the Participant and Rate Impact
11 Measure Tests, and one scenario that includes potential demand-side management programs
12 that pass the Participant and Total Resource Cost Tests, as these terms are used in Rule 25-
13 17.008, F.A.C. Each utility's goal projections must be based on the utility's most recent
14 planning process and must shall reflect the annual KW and KWH savings, over a ten-year
15 period, from potential demand-side management programs with consideration of overlapping
16 measures, rebound effects, free riders, interactions with building codes and appliance
17 efficiency standards, and the utility's latest monitoring and evaluation of conservation
18 programs and measures. Each utility's projections shall be based upon an assessment of, at a
19 minimum, the following market segments and major end use categories.

20 Residential Market Segment:

21 (Existing Homes and New Construction should be separately evaluated) Major End Use

22 Category

23 ~~(a) Building Envelope Efficiencies.~~

24 ~~(b) Cooling and Heating Efficiencies.~~

25 ~~(e) Water Heating Systems.~~

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- 1 ~~(d) Appliance Efficiencies.~~
- 2 ~~(e) Peakload Shaving.~~
- 3 ~~(f) Solar Energy and Renewable Energy Sources.~~
- 4 ~~(g) Renewable/Natural gas substitutes for electricity.~~
- 5 ~~(h) Other.~~

6 ~~Commercial/Industrial Market Segment:~~

7 ~~(Existing Facilities and New Construction should be separately evaluated) Major End Use~~
8 ~~Category~~

- 9 ~~(i) Building Envelope Efficiencies.~~
- 10 ~~(j) HVAC Systems.~~
- 11 ~~(k) Lighting Efficiencies.~~
- 12 ~~(l) Appliance Efficiencies.~~
- 13 ~~(m) Power Equipment/Motor Efficiency.~~
- 14 ~~(n) Peak Load Shaving.~~
- 15 ~~(o) Water Heating.~~
- 16 ~~(p) Refrigeration Equipment.~~
- 17 ~~(q) Freezing Equipment.~~
- 18 ~~(r) Solar Energy and Renewable Energy Sources.~~
- 19 ~~(s) Renewable/Natural Gas substitutes for electricity.~~
- 20 ~~(t) High Thermal Efficient Self Service Cogeneration.~~
- 21 ~~(u) Other.~~

22 (4) Within 90 days of a final order establishing or modifying goals, each utility must
23 file its demand-side management plan that includes the programs to meet the approved goals,
24 along with program administrative standards that include a statement of the policies and
25 procedures detailing the operation and administration of each program. ~~or such longer period~~

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1 as approved by the Commission, each utility shall submit for Commission approval a demand
2 side management plan designed to meet the utility's approved goals. The following
3 information ~~must~~ shall be filed ~~submitted~~ for each demand-side management program
4 included in the utility's demand-side management plan for a ten-year projected horizon
5 period:

6 (a) The program name;

7 (b) The program start date;

8 ~~(c) A statement of the policies and procedures detailing the operation and~~
9 administration of the program;

10 (c) ~~(d)~~ The total number of customers, or other appropriate unit of measure, in each
11 class of customer (i.e. residential, commercial, industrial, etc.) for each calendar year in the
12 planning horizon;

13 (d) ~~(e)~~ The total number of eligible customers, or other appropriate unit of measure, in
14 each class of customers (i.e., residential, commercial, industrial, etc.) for each calendar year in
15 the planning horizon;

16 (e) ~~(f)~~ An estimate of the annual number of customers, or other appropriate unit of
17 measure, in each class of customers projected to participate in the program for each calendar
18 year of the planning horizon, including a description of how the estimate was derived;

19 (f) ~~(g)~~ The cumulative penetration levels of the program by calendar year calculated as
20 the percentage of projected cumulative participating customers, or appropriate unit of
21 measure, by year to the total customers eligible to participate in the program;

22 (g) ~~(h)~~ Estimates on an appropriate unit of measure basis of the per customer and
23 program total annual KWH reduction, winter KW reduction, and summer KW reduction, both
24 at the customer meter and the generation level, attributable to the program. A summary of all
25 assumptions used in the estimates, and a list of measures within the program must ~~will~~ be

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1 included;

2 (h) (i) A methodology for measuring actual KW kilowatt and KWH kilowatt-hour
3 savings achieved from each program, including a description of research design,
4 instrumentation, use of control groups, and other details sufficient to ensure that results are
5 valid;

6 (i) (j) An estimate of the cost-effectiveness of the program using the cost-effectiveness
7 tests required pursuant to Rule 25-17.008, F.A.C. ~~If the Commission finds that a utility's~~
8 ~~conservation plan has not met or will not meet its goals, the Commission may require the~~
9 ~~utility to modify its proposed programs or adopt additional programs and submit its plans for~~
10 ~~approval.~~

11 (j) An estimate of the annual amount to be recovered through the energy conservation
12 cost recovery clause for each calendar year in the planning horizon.

13 (5) The Commission may, on its own motion or on a petition by a substantially
14 affected person or a utility, initiate a proceeding to review and, if appropriate, modify the
15 goals. All modifications of the approved goals, plans, and programs will be on a prospective
16 basis.

17 (6) (5) Each utility must shall submit an annual report no later than March 1 ~~of each~~
18 ~~year~~ summarizing its demand-side management plan and the total actual achieved results for
19 its approved demand-side management plan in the preceding calendar year. The report must
20 ~~shall~~ contain, ~~at a minimum,~~ a comparison of the achieved KW and KWH reductions with the
21 established Residential and Commercial/Industrial goals, and the following information for
22 each approved program:

23 (a) The name of the utility;

24 (b) The name of the program and program start date;

25 (c) The calendar year the report covers;

1 (d) ~~The~~ The total number of customers, or other appropriate unit of measure, by customer
2 class for each calendar year of the planning horizon;

3 (e) ~~The~~ The total number of customers, or other appropriate unit of measure, eligible to
4 participate in the program for each calendar year of the planning horizon;

5 (f) ~~The~~ The total number of customers, or other appropriate unit of measure, projected to
6 participate in the program for each calendar year of the planning horizon;

7 (g) The potential cumulative penetration level of the program to date calculated as the
8 percentage of projected participating customers to date to the total eligible customers in the
9 class;

10 (h) The actual number of program participants and the current cumulative number of
11 program participants;

12 (i) The actual cumulative penetration level of the program calculated as the percentage
13 of actual cumulative participating customers to the number of eligible customers in the class;

14 (j) A comparison of the actual cumulative penetration level of the program to the
15 potential cumulative penetration level of the program;

16 (k) A justification for any variances greater ~~larger~~ than 15% from ~~for~~ the annual goals
17 established by the Commission;

18 (l) Using on-going measurement and evaluation results the annual KWH reduction, the
19 winter KW reduction, and the summer KW reduction, both at the meter and the generation
20 level, per installation and program total, based on the utility's approved
21 measurement/evaluation plan;

22 (m) The per installation cost and the total program cost of the utility;

23 (n) The net benefits for measures installed during the reporting period, annualized over
24 the life of the program, as calculated by the following formula:

25
$$\text{annual benefits} = B_{npv} \times d/[1 - (1+d)^{-n}]$$

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1 | where

2 | B_{npv} = cumulative present value of the net benefits over the life of the program for measures
3 | installed during the reporting period.

4 | d = discount rate (utility's after tax cost of capital).

5 | n = life of the program.

6 | *Rulemaking Authority 350.127(2), 366.05(1), ~~366.82(1)-(4)~~ FS. Law Implemented 366.82(1)-*
7 | *~~(4)~~ FS. History—New 4-30-93, Amended_____.*

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WORKSHOP AGENDA

1. Staff Welcome
2. Staff Overview and Stakeholder Comments on Draft Rule 25-17.0021, F.A.C., Goals for Electric Utilities
3. Closing Comments, if needed
4. Timeframe for next steps
5. Adjourn