BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Proposed amendment of Rule 25-17.0021 F.A.C., Goals for Electric Utilities.	**DOCKET NO. 20200181** **Filed: April 25, 2023**

SOUTHERN ALLIANCE FOR CLEAN ENERGY'S PROPOSED REVISIONS TO RULE 25-17.0021

Southern Alliance for Clean Energy ("SACE"), pursuant to the Florida Public Service Commission's ("Commission") Notice of Rule Hearing, filed on April 13, 2023, hereby files its proposed revisions to Rule 25-17.0021, F.A.C. There are six discreet and different revisions presented in Attachments A through F. For ease of reference, the purpose of each Attachment is provided below.

Attachment A	Inclusion of the Utility Cost Test as an additional cost-effectiveness test.
Attachment B	End the reliance on a time-based freeridership screen.
Attachment C	Exempt low income programs and measures from standard cost-effectiveness tests and freeridership screening.
Attachment D	Setting a goal for low income customers
Attachment E	Totality of revisions in Attachments A through D with additional minor revisions.
Attachment F	Totality of revisions in Attachment E plus the replacement of the Rate Impact Measure Test with the Utility Cost Test.

The discreet and different rule revision in the following Attachments provide the Commission a wide range of options for consideration in modernizing Rule 25-17.0021, F.A.C.

Respectfully submitted on April 25, 2023,

/s/ *George Cavros*
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Counsel for Petitioner
Southern Alliance for Clean Energy

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true copy and correct copy of SACE's Request for Hearing was served on this 25th day of April, 2023 via electronic mail on:

Jon Rubottom
Florida Public Service Commission
Office of the General Counsel
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850
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/s/ *George Cavros*
Attorney

ATTACHMENT A

Rule 25-17.0021, F.A.C. Proposed Revisions in Docket No. 20200181-EU by Southern Alliance for Clean Energy

25-17.0021 Goals for Electric Utilities.

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

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

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

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

Residential Market Segment:

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

Category

(a) Building Envelope Efficiencies.

(b) Cooling and Heating Efficiencies.

(c) Water Heating Systems.

(d) Lighting Efficiencies.

(e) Appliance Efficiencies.

(f) Peak Load Shaving.

(g) Solar Energy and Renewable Energy Sources.

Commercial/Industrial Market Segment:

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

(h) Building Envelope Efficiencies.

(i) Cooling and Heating Efficiencies.

(j) Lighting Efficiencies.

(k) Appliance Efficiencies.

(l) Power Equipment/Motor Efficiency.

(m) Peak Load Shaving.

(n) Water Heating Systems.

(o) Refrigeration/Freezing Equipment.

(p) Solar Energy and Renewable Energy Sources.

(q) High Thermal Efficient Self Service Cogeneration.

Each utility's filing must describe how the technical potential study was used to develop the

goals filed pursuant to subsection (3) below, including identification of measures that were analyzed but excluded from consideration. ~~The Commission on its own motion or petition by a substantially affected person or a utility may initiate a proceeding to review and, if appropriate, modify the goals. All modifications of the approved goals, plans and programs shall only be on a prospective basis.~~

(3) Pursuant to the schedule in an order establishing procedure in the proceeding to establish demand-side management goals, each utility must file its proposed demand-side management goals. ~~In a proceeding to establish or modify goals, each utility shall propose numerical goals for the ten year period and provide ten year projections, based upon the utility's most recent planning process, of the total, cost-effective, winter and summer peak demand (KW) and annual energy (KWH) savings reasonably achievable in the residential and commercial/industrial classes through demand-side management.~~ Each utility must also file demand-side management goals developed under ~~two~~ three scenarios: one scenario that includes potential demand-side management programs that pass the Participant and Rate Impact Measure Tests, ~~and~~ one scenario that includes potential demand-side management programs that pass the Participant and Total Resource Cost Tests, and one scenario that includes potential demand-side management programs that pass the Participant and the Utility Cost Tests, as these terms are used in Rule 25-17.008, F.A.C., with the Utility Cost Test determined using the Rate Impact Measure test, but not including lost revenues from reduced sales as a cost. Each utility's goal projections must be based on the utility's most recent planning process and must ~~shall~~ reflect the annual KW and KWH savings, over a ten-year period, from potential demand-side management programs with consideration of overlapping

measures, rebound effects, free riders, interactions with building codes and appliance efficiency standards, and the utility's latest monitoring and evaluation of conservation programs and measures. In addition, for each potential demand-side management program identified in the proposed goals and in each scenario described above, each utility must provide overall estimated annual program costs over a ten-year period. ~~Each utility's projections shall be based upon an assessment of, at a minimum, the following market segments and major end-use categories.~~

~~Residential Market Segment:~~

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

~~(a) Building Envelope Efficiencies.~~

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

~~(c) Water Heating Systems.~~

~~(d) Appliance Efficiencies.~~

~~(e) Peakload Shaving.~~

~~(f) Solar Energy and Renewable Energy Sources.~~

~~(g) Renewable/Natural gas substitutes for electricity.~~

~~(h) Other.~~

~~Commercial/Industrial Market Segment:~~

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

~~(i) Building Envelope Efficiencies.~~

~~(j) HVAC Systems.~~

~~(k) Lighting Efficiencies.~~

~~(l) Appliance Efficiencies.~~

~~(m) Power Equipment/Motor Efficiency.~~

~~(n) Peak Load Shaving.~~

~~(o) Water Heating.~~

~~(p) Refrigeration Equipment.~~

~~(q) Freezing Equipment.~~

~~(r) Solar Energy and Renewable Energy Sources.~~

~~(s) Renewable/Natural Gas substitutes for electricity.~~

~~(t) High Thermal Efficient Self Service Cogeneration.~~

~~(u) Other.~~

(4) Within 90 days of a final order establishing or modifying goals, each utility must file its demand-side management plan that includes the programs to meet the approved goals, along with program administrative standards that include a statement of the policies and procedures detailing the operation and administration of each program. ~~or such longer period as approved by the Commission, each utility shall submit for Commission approval a demand side management plan designed to meet the utility's approved goals.~~ The following information must ~~shall~~ be filed ~~submitted~~ for each demand-side management program included in the utility's demand-side management plan for a ten-year projected horizon period:

(a) The program name;

(b) The program start date;

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

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

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

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

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

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

(h) ~~(i)~~ A methodology for measuring actual KW ~~kilowatt~~ and KWH ~~kilowatt-hour~~ savings achieved from each program, including a description of research design,

instrumentation, use of control groups, and other details sufficient to ensure that results are valid;

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

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

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

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

(a) The name of the utility;

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

(c) The calendar year the report covers;

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

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

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

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

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

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

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

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

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

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

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

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

where

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

D = discount rate (utility's after tax cost of capital).

N = life of the program.

Rulemaking Authority <u>*350.127(2),*</u> *366.05(1)*~~*, 366.82(1) (4)*~~ *FS. Law Implemented 366.82*~~*(1) (4)*~~ *FS. History–New 4-30-93,* <u>*Amended*</u>

ATTACHMENT B

Rule 25-17.0021, F.A.C. Proposed Revisions in Docket No. 20200181-EU by Southern Alliance for Clean Energy

25-17.0021 Goals for Electric Utilities.

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

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

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

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

Residential Market Segment:

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

Category

(a) Building Envelope Efficiencies.

(b) Cooling and Heating Efficiencies.

(c) Water Heating Systems.

(d) Lighting Efficiencies.

(e) Appliance Efficiencies.

(f) Peak Load Shaving.

(g) Solar Energy and Renewable Energy Sources.

Commercial/Industrial Market Segment:

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

(h) Building Envelope Efficiencies.

(i) Cooling and Heating Efficiencies.

(j) Lighting Efficiencies.

(k) Appliance Efficiencies.

(l) Power Equipment/Motor Efficiency.

(m) Peak Load Shaving.

(n) Water Heating Systems.

(o) Refrigeration/Freezing Equipment.

(p) Solar Energy and Renewable Energy Sources.

(qt) High Thermal Efficient Self Service Cogeneration.

Each utility's filing must describe how the technical potential study was used to develop the

goals filed pursuant to subsection (3) below, including identification of measures that were analyzed but excluded from consideration. ~~The Commission on its own motion or petition by a substantially affected person or a utility may initiate a proceeding to review and, if appropriate, modify the goals. All modifications of the approved goals, plans and programs shall only be on a prospective basis.~~

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

identified in the proposed goals and in each scenario described above, each utility must provide overall estimated annual program costs over a ten-year period. Consideration of overlapping measures, rebound effects, free riders, interactions with building codes and appliance efficiency standards must be based on a transparent, evidence-based methodology that is consistent with industry standard practices, and must be accounted for within the utility's assumptions for naturally occurring energy efficiency adoption outside of utility-administered programs. Free ridership screening shall not be based on simple payback duration. ~~Each utility's projections shall be based upon an assessment of, at a minimum, the following market segments and major end-use categories.~~

~~Residential Market Segment:~~

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

~~(a) Building Envelope Efficiencies.~~

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

~~(c) Water Heating Systems.~~

~~(d) Appliance Efficiencies.~~

~~(e) Peakload Shaving.~~

~~(f) Solar Energy and Renewable Energy Sources.~~

~~(g) Renewable/Natural gas substitutes for electricity.~~

~~(h) Other.~~

~~Commercial/Industrial Market Segment:~~

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

~~Category~~

~~(i) Building Envelope Efficiencies.~~

~~(j) HVAC Systems.~~

~~(k) Lighting Efficiencies.~~

~~(l) Appliance Efficiencies.~~

~~(m) Power Equipment/Motor Efficiency.~~

~~(n) Peak Load Shaving.~~

~~(o) Water Heating.~~

~~(p) Refrigeration Equipment.~~

~~(q) Freezing Equipment.~~

~~(r) Solar Energy and Renewable Energy Sources.~~

~~(s) Renewable/Natural Gas substitutes for electricity.~~

~~(t) High Thermal Efficient Self Service Cogeneration.~~

~~(u) Other.~~

(4) Within 90 days of a final order establishing or modifying goals, each utility must file its demand-side management plan that includes the programs to meet the approved goals, along with program administrative standards that include a statement of the policies and procedures detailing the operation and administration of each program. Each utility must also consider strategies to mitigate excessive free ridership during program planning. ~~or such longer period as approved by the Commission, each utility shall submit for Commission approval a demand side management plan designed to meet the utility's approved goals.~~ The following information must ~~shall~~ be filed ~~submitted~~ for each demand-side management

program included in the utility's demand-side management plan for a ten-year projected horizon period:

(a) The program name;

(b) The program start date;

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

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

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

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

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

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

included;

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

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

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

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

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

(a) The name of the utility;

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

(c) The calendar year the report covers;

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

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

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

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

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

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

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

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

(l) Using on-going measurement and evaluation results the annual KWH reduction, the winter KW reduction, and the summer KW reduction, both at the meter and the generation

level, per installation and program total, based on the utility's approved measurement/evaluation plan;

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

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

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

where

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

D = discount rate (utility's after tax cost of capital).

N = life of the program.

Rulemaking Authority <u>*350.127(2),*</u> *366.05(1)*~~*, 366.82(1) (4)*~~ *FS. Law Implemented 366.82*~~*(1) (4)*~~ *FS. History–New 4-30-93,* <u>*Amended*</u>

ATTACHMENT C

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

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

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

Residential Market Segment:

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

Category

(a) Building Envelope Efficiencies.

(b) Cooling and Heating Efficiencies.

(c) Water Heating Systems.

(d) Lighting Efficiencies.

(e) Appliance Efficiencies.

(f) Peak Load Shaving.

(g) Solar Energy and Renewable Energy Sources.

Commercial/Industrial Market Segment:

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

(h) Building Envelope Efficiencies.

(i) Cooling and Heating Efficiencies.

(j) Lighting Efficiencies.

(k) Appliance Efficiencies.

(l) Power Equipment/Motor Efficiency.

(m) Peak Load Shaving.

(n) Water Heating Systems.

(o) Refrigeration/Freezing Equipment.

(p) Solar Energy and Renewable Energy Sources.

(q) High Thermal Efficient Self Service Cogeneration.

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

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

programs and measures. In addition, for each potential demand-side management program identified in the proposed goals and in each scenario described above, each utility must provide overall estimated annual program costs over a ten-year period. Any program, or its measures, specifically designated for Low Income Customers shall be excepted from standard cost-effectiveness requirements and free ridership consideration. ~~Each utility's projections shall be based upon an assessment of, at a minimum, the following market segments and major end-use categories.~~

~~Residential Market Segment:~~

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

~~(a) Building Envelope Efficiencies.~~

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

~~(c) Water Heating Systems.~~

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~~(f) Solar Energy and Renewable Energy Sources.~~

~~(g) Renewable/Natural gas substitutes for electricity.~~

~~(h) Other.~~

~~Commercial/Industrial Market Segment:~~

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

~~(i) Building Envelope Efficiencies.~~

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~~(u) Other.~~

(4) Within 90 days of a final order establishing or modifying goals, each utility must file its demand-side management plan that includes the programs to meet the approved goals, along with program administrative standards that include a statement of the policies and procedures detailing the operation and administration of each program. ~~or such longer period as approved by the Commission, each utility shall submit for Commission approval a demand side management plan designed to meet the utility's approved goals.~~ The following information must ~~shall~~ be filed ~~submitted~~ for each demand-side management program included in the utility's demand-side management plan for a ten-year projected horizon period:

(a) The program name;

(b) The program start date;

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

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

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

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

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

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

(h) ~~(i)~~ A methodology for measuring actual KW ~~kilowatt~~ and KWH ~~kilowatt-hour~~ savings achieved from each program, including a description of research design,

instrumentation, use of control groups, and other details sufficient to ensure that results are valid;

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

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

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

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

(a) The name of the utility;

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

(c) The calendar year the report covers;

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

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

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

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

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

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

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

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

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

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

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

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

where

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

D = discount rate (utility's after tax cost of capital).

N = life of the program.

Rulemaking Authority <u>*350.127(2),*</u> *366.05(1)*~~*, 366.82(1) (4)*~~ *FS. Law Implemented 366.82*~~*(1) (4)*~~ *FS. History–New 4-30-93,* <u>*Amended*</u>

ATTACHMENT D

Rule 25-17.0021, F.A.C. Proposed Revisions in Docket No. 20200181-EU by Southern Alliance for Clean Energy

25-17.0021 Goals for Electric Utilities.

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

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

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

(c) Discrete KW and KWH savings for Low Income Customers provided through income qualified demand-side management programs in each utility's service area over a ten-year period. These savings goals shall be proportionate to the population of Low Income customers within the utility's service area. For the purposes of this Rule, the term "Low Income Customer" means households earning at or below two hundred percent (200%) of the Federal Poverty Level, as determined annually by the United States Department of Health and Human Services. "Income qualified" demand-side management programs are those programs which are designed to serve Low Income Customers.

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

Residential Market Segment:

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

(a) Building Envelope Efficiencies.

(b) Cooling and Heating Efficiencies.

(c) Water Heating Systems.

(d) Lighting Efficiencies.

(e) Appliance Efficiencies.

(f) Peak Load Shaving.

(g) Solar Energy and Renewable Energy Sources.

Commercial/Industrial Market Segment:

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

(h) Building Envelope Efficiencies.

(i) Cooling and Heating Efficiencies.

(j) Lighting Efficiencies.

(k) Appliance Efficiencies.

(l) Power Equipment/Motor Efficiency.

(m) Peak Load Shaving.

(n) Water Heating Systems.

(o) Refrigeration/Freezing Equipment.

(p) Solar Energy and Renewable Energy Sources.

(q) High Thermal Efficient Self Service Cogeneration.

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

(3) Pursuant to the schedule in an order establishing procedure in the proceeding to establish demand-side management goals, each utility must file its proposed demand-side management goals. ~~In a proceeding to establish or modify goals, each utility shall propose numerical goals for the ten year period and provide ten year projections, based upon the utility's most recent planning process, of the total, cost-effective, winter and summer peak demand (KW) and annual energy (KWH) savings reasonably achievable in the residential and commercial/industrial classes through demand-side management.~~ Each utility must also file

demand-side management goals developed under two scenarios: one scenario that includes potential demand-side management programs that pass the Participant and Rate Impact Measure Tests, and one scenario that includes potential demand-side management programs that pass the Participant and Total Resource Cost Tests, as these terms are used in Rule 25-17.008, F.A.C. Each utility's goal projections must be based on the utility's most recent planning process and must ~~shall~~ reflect the annual KW and KWH savings, over a ten-year period, from potential demand-side management programs with consideration of overlapping measures, rebound effects, free riders, interactions with building codes and appliance efficiency standards, and the utility's latest monitoring and evaluation of conservation programs and measures. In addition, for each potential demand-side management program identified in the proposed goals and in each scenario described above, each utility must provide overall estimated annual program costs over a ten-year period. ~~Each utility's projections shall be based upon an assessment of, at a minimum, the following market segments and major end-use categories.~~

~~Residential Market Segment:~~

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

~~(a) Building Envelope Efficiencies.~~

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

~~(c) Water Heating Systems.~~

~~(d) Appliance Efficiencies.~~

~~(e) Peakload Shaving.~~

~~(f) Solar Energy and Renewable Energy Sources.~~

~~(g) Renewable/Natural gas substitutes for electricity.~~

~~(h) Other.~~

~~Commercial/Industrial Market Segment:~~

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

~~(i) Building Envelope Efficiencies.~~

~~(j) HVAC Systems.~~

~~(k) Lighting Efficiencies.~~

~~(l) Appliance Efficiencies.~~

~~(m) Power Equipment/Motor Efficiency.~~

~~(n) Peak Load Shaving.~~

~~(o) Water Heating.~~

~~(p) Refrigeration Equipment.~~

~~(q) Freezing Equipment.~~

~~(r) Solar Energy and Renewable Energy Sources.~~

~~(s) Renewable/Natural Gas substitutes for electricity.~~

~~(t) High Thermal Efficient Self Service Cogeneration.~~

~~(u) Other.~~

(4) Within 90 days of a final order establishing or modifying goals, each utility must file its demand-side management plan that includes the programs to meet the approved goals, along with program administrative standards that include a statement of the policies and

procedures detailing the operation and administration of each program. ~~or such longer period as approved by the Commission, each utility shall submit for Commission approval a demand side management plan designed to meet the utility's approved goals.~~ The following information must ~~shall~~ be filed ~~submitted~~ for each demand-side management program included in the utility's demand-side management plan for a ten-year projected horizon period:

(a) The program name;

(b) The program start date;

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

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

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

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

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

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

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

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

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

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

(6) ~~(5)~~ Each utility must ~~shall~~ submit an annual report no later than March 1 ~~of each year~~ summarizing its demand-side management plan and the total actual achieved results for

its approved demand-side management plan in the preceding calendar year. The report must ~~shall~~ contain~~, at a minimum,~~ a comparison of the achieved KW and KWH reductions with the established Residential and Commercial/Industrial goals, and the following information for each approved program:

(a) The name of the utility;

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

(c) The calendar year the report covers;

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

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

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

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

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

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

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

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

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

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

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

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

where

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

D = discount rate (utility's after tax cost of capital).

N = life of the program.

Rulemaking Authority 350.127(2), 366.05(1), ~~366.82(1) (4)~~ FS. Law Implemented 366.82~~(1) (4)~~ FS. History–New 4-30-93, Amended

ATTACHMENT E

Rule 25-17.0021, F.A.C. Proposed Revisions in Docket No. 20200181-EU by Southern Alliance for Clean Energy

25-17.0021 Goals for Electric Utilities.

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

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

(b) A~~a~~n estimate of the total cost-effective KW ~~kilowatt~~ and KWH ~~kilowatt-hour~~ savings reasonably achievable through demand-side management programs in each utility's service area over a ten-year period. The Commission may give consideration to balancing the level of cost-effective demand side management goals with their potential effects on customer rates and bills; and

(c) Discrete KW and KWH savings for Low Income Customers provided through income qualified demand-side management programs in each utility's service area over a ten-year period. These savings goals shall be proportionate to the population of Low Income customers within the utility's service area. For the purposes of this Rule, the term "Low Income Customer" means households earning at or below two hundred percent (200%) of the Federal Poverty Level, as determined annually by the United States Department of Health and Human Services. "Income qualified" demand-side management programs are those programs

which are designed to serve Low Income Customers.

(d) In addition to the numeric goals above, the Commission may give consideration to other goals.

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

Residential Market Segment:

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

(a) Building Envelope Efficiencies.

(b) Cooling and Heating Efficiencies.

(c) Water Heating Systems.

(d) Lighting Efficiencies.

(e) Appliance Efficiencies.

(f) Peak Load Shaving.

(g) Solar Energy and Renewable Energy Sources.

(h) Efficient Electricity Substitutes for Natural Gas.

(i) Other.

Commercial/Industrial Market Segment:

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

(~~h~~j) Building Envelope Efficiencies.

(~~i~~k) Cooling and Heating Efficiencies.

(~~j~~l) Lighting Efficiencies.

(~~k~~m) Appliance Efficiencies.

(~~l~~n) Power Equipment/Motor Efficiency.

(~~m~~o) Peak Load Shaving.

(~~n~~p) Water Heating Systems.

(~~o~~q) Refrigeration/Freezing Equipment.

(~~p~~r) Solar Energy and Renewable Energy Sources.

(s) Efficient Electricity Substitutes for Natural Gas.

(~~q~~t) High Thermal Efficient Self Service Cogeneration.

(u) Other.

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

(3) Pursuant to the schedule in an order establishing procedure in the proceeding to establish demand-side management goals, each utility must file its proposed demand-side management goals. ~~In a proceeding to establish or modify goals, each utility shall propose numerical goals for the ten year period and provide ten year projections, based upon the utility's most recent planning process, of the total, cost-effective, winter and summer peak demand (KW) and annual energy (KWH) savings reasonably achievable in the residential and commercial/industrial classes through demand-side management.~~ Each utility must also file demand-side management goals developed under ~~two~~ three scenarios: one scenario that includes potential demand-side management programs that pass the Participant and Rate Impact Measure Tests, ~~and~~ one scenario that includes potential demand-side management programs that pass the Participant and Total Resource Cost Tests, and one scenario that includes potential demand-side management programs that pass the Participant and the Utility Cost Tests, as these terms are used in Rule 25-17.008, F.A.C., with the Utility Cost Test determined using the Rate Impact Measure test, but not including lost revenues from reduced sales as a cost. Each utility must provide a transparent estimate of quantified effects for each goal scenario it submits, including total utility system benefits, average bill savings associated with decreased energy use, rate effects, and bill impacts. Each utility's goal projections must be ~~based on~~ informed by the utility's most recent planning process and must ~~shall~~ reflect the annual KW and KWH savings, over a ten-year period, from potential demand-side management programs with consideration of overlapping measures, rebound effects, free riders, interactions with building codes and appliance efficiency standards, and the utility's latest monitoring and evaluation of conservation programs and measures. In addition, for each

potential demand-side management program identified in the proposed goals and in each scenario described above, each utility must provide overall estimated annual program costs over a ten-year period. Consideration of overlapping measures, rebound effects, free riders, interactions with building codes and appliance efficiency standards must be based on a transparent, evidence-based methodology that is consistent with industry standard practices, and must be accounted for within the utility's assumptions for naturally occurring energy efficiency adoption outside of utility-administered programs. Freeridership screening shall not be based on simple payback duration. Any program, or its measures, specifically designated for Low Income Customers shall be excepted from standard cost-effectiveness requirements and free ridership consideration. ~~Each utility's projections shall be based upon an assessment of, at a minimum, the following market segments and major end-use categories.~~

~~Residential Market Segment:~~

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

~~(a) Building Envelope Efficiencies.~~

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

~~(c) Water Heating Systems.~~

~~(d) Appliance Efficiencies.~~

~~(e) Peakload Shaving.~~

~~(f) Solar Energy and Renewable Energy Sources.~~

~~(g) Renewable/Natural gas substitutes for electricity.~~

~~(h) Other.~~

~~Commercial/Industrial Market Segment:~~

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

~~(i) Building Envelope Efficiencies.~~

~~(j) HVAC Systems.~~

~~(k) Lighting Efficiencies.~~

~~(l) Appliance Efficiencies.~~

~~(m) Power Equipment/Motor Efficiency.~~

~~(n) Peak Load Shaving.~~

~~(o) Water Heating.~~

~~(p) Refrigeration Equipment.~~

~~(q) Freezing Equipment.~~

~~(r) Solar Energy and Renewable Energy Sources.~~

~~(s) Renewable/Natural Gas substitutes for electricity.~~

~~(t) High Thermal Efficient Self Service Cogeneration.~~

~~(u) Other.~~

(4) Within 90 days of a final order establishing or modifying goals, each utility must file its demand-side management plan that includes the programs to meet the approved goals, along with program administrative standards that include a statement of the policies and procedures detailing the operation and administration of each program. Each utility must also consider strategies to mitigate excessive free ridership during program planning. ~~or such longer period as approved by the Commission, each utility shall submit for Commission~~

~~approval a demand side management plan designed to meet the utility's approved goals.~~ The following information must ~~shall~~ be filed ~~submitted~~ for each demand-side management program included in the utility's demand-side management plan for a ten-year projected horizon period:

(a) The program name;

(b) The program start date;

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

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

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

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

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

(g) ~~(h)~~ Estimates on an appropriate unit of measure basis of the per customer and program total annual KWH reduction, winter KW reduction, and summer KW reduction, both

at the customer meter and the generation level, attributable to the program. A summary of all assumptions used in the estimates, and a list of measures within the program must ~~will~~ be included;

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

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

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

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

(6) ~~(5)~~ Each utility must ~~shall~~ submit an annual report no later than March 1 ~~of each year~~ summarizing its demand-side management plan and the total actual achieved results for its approved demand-side management plan in the preceding calendar year. The report must ~~shall~~ contain~~, at a minimum,~~ a comparison of the achieved KW and KWH reductions with the

established Residential and Commercial/Industrial goals, and the following information for each approved program:

(a) The name of the utility;

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

(c) The calendar year the report covers;

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

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

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

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

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

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

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

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

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

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

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

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

where

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

D = discount rate (utility's after tax cost of capital).

N = life of the program.

Rulemaking Authority <u>*350.127(2),*</u> *366.05(1)*~~*, 366.82(1)-(4)*~~ *FS. Law Implemented 366.82*~~*(1)-(4)*~~ *FS. History–New 4-30-93*, <u>*Amended*</u>

ATTACHMENT F

Rule 25-17.0021, F.A.C. Proposed Revisions in Docket No. 20200181-EU by Southern Alliance for Clean Energy

25-17.0021 Goals for Electric Utilities.

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

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

(b) ~~a~~An estimate of the total cost-effective KW ~~kilowatt~~ and KWH ~~kilowatt-hour~~ savings reasonably achievable through demand-side management programs in each utility's service area over a ten-year period. The Commission may give consideration to balancing the level of cost-effective demand side management goals with their potential effects on customer rates and bills; and

(c) Discrete KW and KWH savings for Low Income Customers provided through income qualified demand-side management programs in each utility's service area over a ten-year period. These savings goals shall be proportionate to the population of Low Income customers within the utility's service area. For the purposes of this Rule, the term "Low Income Customer" means households earning at or below two hundred percent (200%) of the Federal Poverty Level, as determined annually by the United States Department of Health and Human Services. "Income qualified" demand-side management programs are those programs which are designed to serve Low Income Customers.

(d) In addition to the numeric goals above, the Commission may give consideration to other goals.

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

Residential Market Segment:

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

(a) Building Envelope Efficiencies.

(b) Cooling and Heating Efficiencies.

(c) Water Heating Systems.

(d) Lighting Efficiencies.

(e) Appliance Efficiencies.

(f) Peak Load Shaving.

(g) Solar Energy and Renewable Energy Sources.

(h) Efficient Electricity Substitutes for Natural Gas.

(i) Other.

Commercial/Industrial Market Segment:

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

(~~h~~j) Building Envelope Efficiencies.

(~~i~~k) Cooling and Heating Efficiencies.

(~~j~~l) Lighting Efficiencies.

(~~k~~m) Appliance Efficiencies.

(~~l~~n) Power Equipment/Motor Efficiency.

(~~m~~o) Peak Load Shaving.

(~~n~~p) Water Heating Systems.

(~~o~~q) Refrigeration/Freezing Equipment.

(~~p~~r) Solar Energy and Renewable Energy Sources.

(s) Efficient Electricity Substitutes for Natural Gas.

(~~q~~t) High Thermal Efficient Self Service Cogeneration.

(u) Other.

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

(3) Pursuant to the schedule in an order establishing procedure in the proceeding to establish demand-side management goals, each utility must file its proposed demand-side management goals. ~~In a proceeding to establish or modify goals, each utility shall propose numerical goals for the ten year period and provide ten year projections, based upon the utility's most recent planning process, of the total, cost-effective, winter and summer peak demand (KW) and annual energy (KWH) savings reasonably achievable in the residential and commercial/industrial classes through demand-side management.~~ Each utility must also file demand-side management goals developed under two scenarios: ~~one scenario that includes potential demand-side management programs that pass the Participant and Rate Impact~~

~~Measure Tests, and~~ one scenario that includes potential demand-side management programs that pass the Participant and Total Resource Cost Tests, and one scenario that includes potential demand-side management programs that pass the Participant and the Utility Cost Tests, as these terms are used in Rule 25-17.008, F.A.C., with the Utility Cost Test determined using the Rate Impact Measure test, but not including lost revenues from reduced sales as a cost. Each utility must provide a transparent estimate of quantified effects for each goal scenario it submits, including total utility system benefits, average bill savings associated with decreased energy use, rate effects, and bill impacts. Each utility's goal projections must be ~~based on~~ informed by the utility's most recent planning process and must ~~shall~~ reflect the annual KW and KWH savings, over a ten-year period, from potential demand-side management programs with consideration of overlapping measures, rebound effects, free riders, interactions with building codes and appliance efficiency standards, and the utility's latest monitoring and evaluation of conservation programs and measures. In addition, for each potential demand-side management program identified in the proposed goals and in each scenario described above, each utility must provde overall estimated annual program costs over a ten-year period. Consideration of overlapping measures, rebound effects, free riders, interactions with building codes and appliance efficiency standards must be based on a transparent, evidence-based methodology that is consistent with industry standard practices, and must be accounted for within the utility's assumptions for naturally occurring energy efficiency adoption outside of utility-administered programs. Free ridership screening shall not be based on simple payback duration. Any program, or its measures, specifically designated for Low Income Customers shall be excepted from standard cost-effectiveness requirements and free ridership consideration. ~~Each utility's projections shall be based upon an assessment of, at a minimum, the following market segments and major end-use categories.~~

~~Residential Market Segment:~~

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

~~(a) Building Envelope Efficiencies.~~

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

~~(c) Water Heating Systems.~~

~~(d) Appliance Efficiencies.~~

~~(e) Peakload Shaving.~~

~~(f) Solar Energy and Renewable Energy Sources.~~

~~(g) Renewable/Natural gas substitutes for electricity.~~

~~(h) Other.~~

~~Commercial/Industrial Market Segment:~~

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

~~(i) Building Envelope Efficiencies.~~

~~(j) HVAC Systems.~~

~~(k) Lighting Efficiencies.~~

~~(l) Appliance Efficiencies.~~

~~(m) Power Equipment/Motor Efficiency.~~

~~(n) Peak Load Shaving.~~

~~(o) Water Heating.~~

~~(p) Refrigeration Equipment.~~

~~(q) Freezing Equipment.~~

~~(r) Solar Energy and Renewable Energy Sources.~~

~~(s) Renewable/Natural Gas substitutes for electricity.~~

~~(t) High Thermal Efficient Self Service Cogeneration.~~

~~(u) Other.~~

(4) Within 90 days of a final order establishing or modifying goals, each utility must file its demand-side management plan that includes the programs to meet the approved goals, along with program administrative standards that include a statement of the policies and procedures detailing the operation and administration of each program. Each utility must also consider strategies to mitigate excessive free ridership during program planning. ~~or such longer period as approved by the Commission, each utility shall submit for Commission approval a demand side management plan designed to meet the utility's approved goals.~~ The following information must ~~shall~~ be filed ~~submitted~~ for each demand-side management program included in the utility's demand-side management plan for a ten-year projected horizon period:

(a) The program name;

(b) The program start date;

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

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

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

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

(f) ~~(g)~~ The cumulative penetration levels of the program by calendar year calculated as

the percentage of projected cumulative participating customers, or appropriate unit of measure, by year to the total customers eligible to participate in the program;

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

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

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

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

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

(6) ~~(5)~~ Each utility must ~~shall~~ submit an annual report no later than March 1 ~~of each year~~ summarizing its demand-side management plan and the total actual achieved results for its approved demand-side management plan in the preceding calendar year. The report must

~~shall~~ contain~~, at a minimum,~~ a comparison of the achieved KW and KWH reductions with the established Residential and Commercial/Industrial goals, and the following information for each approved program:

(a) The name of the utility;

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

(c) The calendar year the report covers;

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

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

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

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

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

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

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

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

(l) Using on-going measurement and evaluation results the annual KWH reduction, the winter KW reduction, and the summer KW reduction, both at the meter and the generation

level, per installation and program total, based on the utility's approved measurement/evaluation plan;

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

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

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

where

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

D = discount rate (utility's after tax cost of capital).

N = life of the program.

Rulemaking Authority <u>*350.127(2),*</u> *366.05(1)*~~*, 366.82(1) (4)*~~ *FS. Law Implemented 366.82*~~*(1) (4)*~~ *FS. History–New 4-30-93*, <u>*Amended*</u>

CODING: Words <u>underlined</u> are additions; words in ~~struck through~~ type are deletions from existing law.