Navid Nowakhtar
Asset and Strategic Planning Director

Florida Public Service Commission
Greg Davis and Phillip Ellis
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Re: FMPA's 2023 Ten-Year Site Plan Data Request #2

June 16, 2023

Dear Greg and Phillip:

Pursuant to the Commission's 2023 Data Request #2, dated May 26, 2023, FMPA is hereby filing one electronic copy of its response.

Under separate cover as directed by the Commission, FMPA will submit an electronic PDF copy of the response to the Office of Commission Clerk.

Please do not hesitate to contact me at (321) 239-1028 if you have any questions.

Sincerely,

Navid Nowakhtar
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Asset and Strategic Planning Director

Enc.

cc. File

1. Referring to FMPA's 2023 Ten-Year Site Plan (TYSP), Schedules 2.1 and 2.2, please explain how FMPA derived its forecasted "Average kWh Consumption Per Customer" for each of the Residential, Commercial, and Industrial classes.

   Residential average usage is modeled directly using an industry-standard econometric model developed by nFront Consulting LLC. The model includes explanatory variables such as personal income per household, weather by month, the price of electricity, and recently, additional information related to mobility and home utilization as compared to patronage of non-residential locations. This model is combined with a separate nFront forecast of residential customers, which is itself driven by an industry-standard econometric model predicated primarily on projected household counts to derive total energy in that class. nFront models commercial and industrial sales directly, as those classes are not homogenous, and this econometric projection is combined with customer forecasts by class to derive usage as an outcome (i.e., projected class sales divided by projected class customers) of those distinct models. The impact of electric vehicle uptake, distributed resource uptake, and the ARP Conservation Program activities are then layered in as deemed appropriate using retail class segmentation assumptions for future uptake over and above the amount already intrinsic to the historical retail data (as applicable).

2. If Schedules 2.1 and 2.2 do not include the incremental impact of utility conservation programs on forecasted "GWh" or "Average kWh Consumption per Customer" for each of the Rural & Residential, Commercial, and Industrial Classes, please explain FMPA's rationale for not including such impacts. Also, explain what impact the exclusion of such conservation has on the various forecasts appearing in these schedules.

   The ARP's Conservation Program model tracks uptake of a variety of conservation measures deployed by the ARP Participants. Based on an evaluation of the amount of activity by program and by Participant both in recent history and as projected over the forecast period, it was determined that all conservation impacts are already embedded in and intrinsic to the historical retail data upon which the forecast is based (i.e., the trends associated with conservation savings for energy and demand are already captured in the base econometric model as a result of modeling past actuals). Therefore, there is no need to make any further adjustments to such trends, as contrasted with distributed resources and electric vehicles, both of which are expected to exhibit uptake over and above the amount already intrinsic to the historical retail data. This approach has no impact on the various forecasts appearing in the schedules, because the load forecast assumes the continuation of the ARP Conservation Program consistent with existing trends since program inception.

3. Please refer to FMPA's 2023 TYSP, Schedule 2.2 "History and Forecast of Energy Consumption and Number of Customers By Customer Class" for the questions below:
   a. Please explain why FMPA projected that, starting from 2023, the

      "Average kWh Consumption per Customer" of industrial class will be

reduced significantly compared with the actual amount experienced in 2022 and 2021.

The FMPA All Requirements Project has only 1 customer characterized as Industrial (US Sugar). This particular customer's monthly consumption exhibits above-average volatility as a result of the presence of local native generation that serves a portion of US Sugar's electric load. The projection of average consumption shown for 2023 and beyond reflects the expectation that consumption will be approximately equal to the average of the preceding three years. The load to be served by the All Requirements Project to support this customer has exhibited an overall declining trend over the last ten years as evidenced by the decline between 2013 and the 2020-2022 timeframe.

b. In its 2023 TYSP, page 3-9, Schedule 2.2, FMPA indicated that the "Total Sales to Ultimate Customers" in 2021 is 5,904 GWh. However, in its 2022 TYSP, page 3-10, Schedule 2.2, FMPA indicated that the "Total Sales to Ultimate Customers" in 2021 is 5,944 GWh. Please explain the difference and provide a revised filing, if necessary.

The differences are isolated to two of the All Requirements Project Participants' retail sales data for the September – December 2021 period. The 2022 TYSP filing was based on retail data available at the time of the filing, which was subsequently subject to a true-up, which was reflected in the 2023 TYSP filing. This is not uncommon for retail sales data. The Net Energy for Load (NEL) delivered to Participants as adjusted for transmission losses is the primary planning determinant for the site plan and is not impacted.