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**ELECTRONIC FILING**

Mr. Adam Teitzman  
Commission Clerk  
Florida Public Service Commission  
Betty Easley Conference Center  
2540 Shumard Oak Boulevard, Room 110  
Tallahassee, Florida 32399-0850

RE: Orlando Utilities Commission's Responses to Staff's First Data Requests  
Nos. 1-9 re: OUC's 2024 Annual Conservation Report

Dear Mr. Teitzman:

Attached for filing are Orlando Utilities Commission's responses to Staff's First Data Requests Nos. 1-9, regarding OUC's 2024 Annual Conservation Report, which was submitted to the Commission Staff on March 1, 2024. A copy of the Staff's Data Requests is attached with OUC's responses.

As always, OUC thanks you and your staff for your professional assistance with handling this filing. Please call or email me if you or the Commission Staff have any questions regarding this filing.

Cordially yours,

/s/ Robert Scheffel Wright  
Robert Scheffel Wright

Enclosure

Copy: Mr. Michael Barrett, Economic Supervisor

**Orlando Utilities Commission**  
**Responses to Staff's First Data Requests Nos. 1-9 re:**  
**OUC's 2024 Annual Conservation Report**  
**UNDOCKETED**

1. Please answer the following regarding federal energy efficiency standards and Florida Building Code requirements.
  - A. Please describe how OUC has changed the way it monitors current federal energy efficiency standards and Florida Building Code requirements, compared to the methods it used in 2023, if applicable.

OUC Response

OUC has not changed its monitoring of current federal energy efficiency standards and Florida Building Code requirements as compared to OUC's monitoring activities in 2023. The OUC Conservation team periodically reviews the criteria applicable to eligibility for and amounts of rebates and compares those criteria to the federal energy standards and Florida Building Code requirements. OUC ensures that we have continuous access to the latest copy of the Florida Building Code requirements, especially for our Commercial & Industrial incentive calculations.

- B. What impact, if any, did changes in federal or state standards have on the cost effectiveness of conservation programs in 2023?

OUC Response

By themselves, any increases in the minimum efficiency standards or construction techniques applicable to DSM measures will reduce the energy savings from implementing any given DSM measure at a given point in time. Assuming that rebate amounts and other program costs remain the same, this will reduce the cost-effectiveness of any affected DSM measures. OUC has not quantified such impacts in its cost-effectiveness calculations of DSM measures that were offered and implemented in 2023.

As noted above, OUC periodically reviews federal and state standards as part of its overall DSM monitoring and planning activities. Currently, as stated in the testimony of Jim Herndon and Kevin Noonan on behalf of OUC in Docket No. 20240017-EG, the current Goals Docket for OUC, the cost-effectiveness analyses supporting OUC's proposed numeric conservation goals and proposed programs are based on the most current federal appliance efficiency standards and the most current requirements of the Florida Building Code.

- C. If applicable, identify what existing programs are under review for modification in 2024 to reflect changes to federal or state standards?

### OUC Response

The Florida Building Code minimum ceiling insulation requirement for new construction is now R-38. Accordingly, OUC has eliminated the ceiling insulation rebate from our New Home Rebates program because R-38 is now the minimum Code requirement. OUC is considering increasing the final R-value for our existing homes/businesses ceiling insulation rebates to R-38 and hopes to do so soon after our revised rebate application has been tested. When OUC makes this change, we will increase our ceiling insulation rebate from \$0.10 per square foot to \$0.11 per square foot based on additional energy savings from R-38 as compared to R-30 insulation.

2. Please answer the following regarding OUC's conservation research and development (CRD) initiatives that evaluate emerging DSM opportunities:
- A. Identify and describe any new CRD initiatives that were launched in 2023.

### OUC Response

For our residential customers, we are currently in the process of developing a research and development (R&D) roadmap for Demand Response (DR) measures based on recent research and anticipated research outcomes for other utilities' DR offerings, their efficacy, costs, and other factors to determine the best approach for OUC. This effort is also focused on Vehicle to Grid (V2G) as a significant contributor to OUC's long-term goals and opportunity to partner with our customers. The average vehicle battery is roughly 3-5 times more than the energy stored by a stationary residential battery and 2-6 times more than the impact on demand of most DR solutions. This technology is still new and most car vendors are not allowing it based on warranty concerns. OUC is continuing its pilot efforts and we are considering evolving our current internal pilot into a customer facing pilot in the coming year. In the longer term, OUC also plans to focus on V2G applications for commercial fleets.

For commercial customers we are in the process of developing controls and microgrid solutions that will help our commercial customers reduce their demand and overall load by more effectively dispatching solar and storage. A few years ago, OUC built a test facility called the Grid Integration Lab where we are developing controls in partnership with a local university and vendors in the EV, Solar, and Storage industries. In 2023, OUC partnered with the University of Central Florida (UCF) to advance these controls in an effort to start rolling them out to customer sites.

OUC has an ongoing research and development project that includes floating solar and battery storage at its Gardenia location. In 2024, OUC plans to advance these efforts with the installation of a customer-sited floating solar, battery and EV charging location that will include solar generation and battery storage to mitigate demand on the grid and provide contingency support for EV charging. OUC has also funded research at UCF in 2023/24 to improve our cloud tracking solution that will optimize our dispatch efforts and improve our operations of the DSM solutions for our customers. Understanding how clouds and weather impact load and generation will help us better balance and optimize customer loads and OUC's system operations.

Finally, in 2023, OUC renegotiated a grant with the U.S. Department of Energy to study hydrogen as a tool for dispatching more solar and mitigating demand spikes from EV charging of heavy-duty vehicles through the use of hydrogen as a transportation fuel for large format vehicles. This grant, which will start in 2024, will allow OUC to understand hydrogen as a controllable load to smooth PV, an energy storage medium, and a fueling solution for large format vehicles, all of which will serve to smooth OUC's load curve and allow more efficient and reliable operations.

- B. Provide updates on the status of all on-going CRD initiatives that began before 2023, and if applicable, attach interim and/or final reports on work completed in 2023.

### OUC Response

Please see OUC's response to No. 2.A above, which describes the current status of OUC's ongoing R&D conservation and DSM initiatives, including initiatives that began before 2023. OUC did not complete any final or interim reports on these efforts in 2023.

- 3. Page 3-1 of the Report references information on the utility's audit programs.

- A. Is the "Residential Proactive" a new audit type launched in 2023? Please provide a description of this audit. Address in your response if this audit is offered as an in-person or a virtual audit.

### OUC Response

This is not a new audit offering as OUC has been offering this type of audit since April 2020. This audit is performed in person. Our team is continuing to expand our utilization of our AMI system to locate abnormalities in customer meter data to identify and perform these audits. We call it *proactive* because this type of audit is trying to prevent a customer from potentially receiving a series of high bills and consuming more energy than they would typically consume.

- B. In total, 1,835 residential energy audits were conducted in 2023, compared to 1,469 in 2022. Please explain what actions the utility took in 2023 to attract more participants to the three named programs.

### OUC Response

OUC's customer outreach includes promotion of audits, particularly during high-usage periods, e.g., OUC's "Beat the Heat" promotion in the summer, but OUC did not engage in any additional paid advertising in 2023. OUC does intend to promote audits through paid advertising in 2024. It should be noted that in January 2023, OUC increased our fuel rates and experienced some very cold weather, followed by an abnormally warm summer, which likely increased demand for audits.

- C. In total, 63 commercial energy audits were conducted in 2023, compared to 30 in 2022. Please explain what actions the utility took in 2023 to more than double participation in this program.

### OUC Response

OUC Conservation works closely with our Key Account Representatives who help support large key accounts for the Commission. In 2023, there was frequent engagement between our large customer accounts and our Key Account team on multiple, scheduled, customer campus retrofit projects. OUC supported these efforts through our rebate programs and commercial audits. One example of our Key Account team's success is that in 2023, 18 audits were attributed to just 3 commercial customers who had multiple projects and properties scheduled and audited in 2023.

4. Page 3-7 of the Report references information on the utility's Residential Duct Repair Rebate program. In 2023, the utility processed rebates for 332 participants, whereas in 2022, it processed rebates for 34 participants. Please describe what marketing efforts or other actions the utility took in 2023 to enhance participation in this program.

### OUC Response

In 2023, we had a large account engage with us on planned renovations for large multi-family properties. We were able to successfully work with this customer on offering rebates for their planned apartment upgrades. This one project alone consisted of 296 individual apartments for which duct repairs were performed and for which rebates pursuant to OUC's Residential Duct Repair Rebate program were paid.

5. Page 3-8 of the Report references information on the utility's Residential Ceiling Insulation Rebate program. In 2023, the utility processed rebates for 389 participants, whereas in 2022, it processed rebates for 79 participants. Please describe what marketing efforts or other actions the utility took in 2023 to enhance participation in this program.

### OUC Response

In 2023, we had a large account engage with us on planned renovations for large multi-family properties. We were able to successfully work with this customer on offering rebates for their planned apartment upgrades. This one project alone consisted of 296 individual apartments for which ceiling insulation upgrades were performed and for which rebates pursuant to OUC's Residential Ceiling Insulation Rebate program were paid.

6. Page 3-11 of the Report references information on the utility's Residential New Home Rebate program.
  - A. The utility reported that its Nonrecurring Cost Per Participant in 2023 was \$441.50, whereas in 2022, the Nonrecurring Cost Per Participant was \$1,017. Please explain the reasons for the year-to-year change in the Nonrecurring Cost amounts.

### OUC Response

The estimated nonrecurring costs (which do not include rebates) reported in OUC's Annual Conservation Report were developed by allocating OUC's total nonrecurring costs for residential electric conservation programs to each program based on the ratio of energy reductions associated with each residential program to the total energy reductions of all of OUC's residential programs (including those included in OUC's 2020 DSM Plan as well as additional residential rebate programs offered by OUC since 2020). As such, differences when comparing nonrecurring costs reported for various years (i.e., 2023 as compared to 2022) will be influenced by OUC's total residential nonrecurring conservation expenditures, total residential energy reductions associated with OUC's conservation programs, and energy reductions associated with each residential program. As a point of reference, in 2023 the energy reductions associated with OUC's Residential New Home Rebate Program comprised approximately 3.5% of the total energy reductions from OUC's residential programs (including those included in OUC's 2020 DSM Plan as well as additional residential rebate programs offered by OUC), whereas in 2022 the energy reductions associated with OUC's Residential New Home Rebate Program comprised approximately 13.5% of the total energy reductions from OUC's residential programs (including those included in OUC's 2020 DSM Plan as well as additional residential rebate programs offered by OUC). This change in the composition of total energy reductions (the allocation factor for nonrecurring costs) would affect the observed reduction in the reported nonrecurring cost per participant from 2022 to 2023.

- B. The utility reported that its Nonrecurring Rebate Per Participant in 2023 was \$269.57, whereas in 2022, the Nonrecurring Rebate Per Participant was \$528. Please explain the reasons for the year-to-year change in the Nonrecurring Rebate amounts.

### OUC Response

Differences in nonrecurring rebates per participant reported for 2023 as compared to 2022 for the Residential New Home Rebate program are due to differences in the number of measures implemented (with different associated rebate amounts between years based on the measures implemented). For example, in 2023 the Residential New Home Rebates program consisted of 59 high efficiency heat pump installations (of various efficiencies), 24 Energy Star® water heater installations, and 3 ceiling insulation installations, whereas in 2022 the Residential New Home Rebates program consisted of 90 high efficiency heat pump installations (of various efficiencies), 65 Energy Star® water heater installations, and 26 ceiling insulation installations. It should be noted that OUC eliminated the ceiling insulation rebate for new homes due to the increase in the required final R-value per the Florida Building Code from R-30 to R-38.

7. Page 3-13 of the Report references information on the utility's Residential Heat Pump Water Heater Rebate program.
- A. In 2023, the utility processed rebates for 452 participants, whereas in 2022, it processed rebates for 161 participants. Please describe what marketing efforts or other actions the utility took in 2023 to enhance participation in this program.

### OUC Response

In 2023, through the efforts of our Key Account Representatives, we had a large account engage with us on planned renovations for large multi-family properties. We were able to successfully work with this customer on offering rebates for their planned apartment upgrades. This one project alone consisted of 296 individual apartments for which OUC paid a rebate.

- B. The utility reported that its Nonrecurring Cost Per Participant in 2023 was \$2,899, whereas in 2022, the Nonrecurring Cost Per Participant was \$1,162. Please explain the reasons for the year-to-year change in the Nonrecurring Cost amounts.

### OUC Response

The estimated nonrecurring costs (which do not include rebates) reported in OUC's Annual Conservation Report were developed by allocating OUC's total nonrecurring costs for residential electric conservation programs to each program based on the ratio of

energy reductions associated with each residential program to the total energy reductions of all of OUC's residential programs (including those included in OUC's 2020 DSM Plan as well as additional residential rebate programs offered by OUC since 2020). As such, differences when comparing nonrecurring costs reported for various years (i.e., 2023 as compared to 2022) will be influenced by OUC's total residential conservation nonrecurring expenditures, total residential energy reductions associated with OUC's conservation programs, and energy reductions associated with each residential program. As a point of reference, in 2023 the energy reductions associated with OUC's Residential Heat Pump Water Heater Rebate Program comprised approximately 43.6% of the total energy reductions from OUC's residential programs (including those included in OUC's 2020 DSM Plan as well as additional residential rebate programs offered by OUC), whereas in 2022 the energy reductions associated with OUC's Residential Heat Pump Water Heater Rebate Program comprised approximately 25.2 % of the total energy reductions from OUC's residential programs (including those included in OUC's 2020 DSM Plan as well as additional residential rebate programs offered by OUC). This change in the composition of total energy reductions (the allocation factor for nonrecurring costs) would affect the observed increase in the reported nonrecurring cost per participant from 2022 to 2023.

8. Page 3-19 of the Report references information on the utility's Commercial Indoor Lighting Rebate program.
  - A. The utility reported that its Nonrecurring Cost Per Participant in 2023 was \$12,816.13, whereas in 2022, the Nonrecurring Cost Per Participant was \$1,108. Please explain the reasons for the year-to-year change in the Nonrecurring Cost amounts.

### OUC Response

The estimated nonrecurring costs (which do not include rebates) reported in OUC's Annual Conservation Report were developed by allocating OUC's total nonrecurring costs for commercial electric conservation programs to each program based on the ratio of energy reductions associated with each commercial program to the total energy reductions of all of OUC's commercial programs (including those included in OUC's 2020 DSM Plan as well as additional commercial rebate programs offered by OUC). As such, differences when comparing nonrecurring costs reported for various years (i.e., 2023 as compared to 2022) will be influenced by OUC's total commercial conservation nonrecurring expenditures, total commercial energy reductions associated with OUC's conservation programs, and energy reductions associated with each commercial program. As a point of reference, in 2023 the energy reductions associated with OUC's Commercial Indoor Lighting Rebate Program comprised approximately 39.5 % of the total energy reductions from OUC's commercial programs (including those included in OUC's 2020 DSM Plan as well as additional commercial rebate programs offered by OUC), whereas in 2022 the energy reductions associated with OUC's Commercial Lighting



Rebate Program comprised approximately 11.0 % of the total energy reductions from OUC's commercial programs (including those included in OUC's 2020 DSM Plan as well as additional commercial rebate programs offered by OUC). This change in the composition of total energy reductions (the allocation factor for nonrecurring costs) would affect the observed increase in the reported nonrecurring cost per participant from 2022 to 2023.

- B. The utility reported that its Nonrecurring Rebate Per Participant in 2023 was \$24,947.19, whereas in 2022, the Nonrecurring Rebate Per Participant was \$2,539. Please explain the reasons for the year-to-year change in the Nonrecurring Rebate amounts.

### OUC Response

There were a similar number of participants in OUC's Commercial Lighting Rebate Program in 2023 (10) as compared to 2022 (12); however, the projects completed in 2023 were considerably larger than in 2022, resulting in higher rebates amounts and higher rebate amounts per participant when comparing 2023 to 2022.

9. Page 3-20 of the Report references information on the utility's Commercial Custom Incentive program. The utility reported that its Nonrecurring Rebate Per Participant in 2023 was \$13,815.33, whereas in 2022, the Nonrecurring Rebate Per Participant was \$23,054. Please provide more information on the year-to-year change in the Nonrecurring Rebate amounts.

### OUC Response

There were a similar number of participants in OUC's Commercial Custom Incentive Program in 2023 (11) as compared to 2022 (9); however, the types of projects completed under the Commercial Custom Incentive Program (and associated rebate amounts) differed between 2023 and 2022, resulting in the total nonrecurring rebates per participant in 2023 being less than in 2022.

COMMISSIONERS:  
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ANDREW GILES FAY  
GABRIELLA PASSIDOMO

STATE OF FLORIDA



DIVISION OF ECONOMICS  
ELISABETH J. DRAPER  
DIRECTOR  
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# Public Service Commission

March 28, 2024

Kevin M. Noonan, Director of Legislative Affairs  
Orlando Utilities Commission  
P.O. Box 3193  
Orlando, FL 32802  
[knoonan@ouc.com](mailto:knoonan@ouc.com)

**STAFF'S FIRST DATA REQUEST**  
*VIA EMAIL*

**Re: Orlando Utilities Commission's 2023 DSM Annual Report**

Dear Mr. Noonan:

Staff has completed its initial review of Orlando Utilities Commission (OUC or utility)'s 2023 DSM Annual Report (Report), submitted to the Commission on March 1, 2024. The questions below arise from the initial review.

1. Please answer the following regarding federal energy efficiency standards and Florida Building Code requirements.
  - A. Please describe how OUC has changed the way it monitors current federal energy efficiency standards and Florida Building Code requirements, compared to the methods it used in 2023, if applicable.
  - B. What impact, if any, did changes in federal or state standards have on the cost effectiveness of conservation programs in 2023?
  - C. If applicable, identify what existing programs are under review for modification in 2024 to reflect changes to federal or state standards?
  
2. Please answer the following regarding OUC's conservation research and development (CRD) initiatives that evaluate emerging DSM opportunities:
  - A. Identify and describe any new CRD initiatives that were launched in 2023.
  - B. Provide updates on the status of all on-going CRD initiatives that began before 2023, and if applicable, attach interim and/or final reports on work completed in 2023.

3. Page 3-1 of the Report references information on the utility's audit programs.
  - A. Is the "Residential Proactive" a new audit type launched in 2023? Please provide a description of this audit. Address in your response if this audit is offered as an in-person or a virtual audit.
  - B. In total, 1,835 residential energy audits were conducted in 2023, compared to 1,469 in 2022. Please explain what actions the utility took in 2023 to attract more participants to the three named programs.
  - C. In total, 63 commercial energy audits were conducted in 2023, compared to 30 in 2022. Please explain what actions the utility took in 2023 to more than double participation in this program.
4. Page 3-7 of the Report references information on the utility's Residential Duct Repair Rebate program. In 2023, the utility processed rebates for 332 participants, whereas in 2022, it processed rebates for 34 participants. Please describe what marketing efforts or other actions the utility took in 2023 to enhance participation in this program.
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  - A. The utility reported that its Nonrecurring Cost Per Participant in 2023 was \$441.50, whereas in 2022, the Nonrecurring Cost Per Participant was \$1,017. Please explain the reasons for the year-to-year change in the Nonrecurring Cost amounts.
  - B. The utility reported that its Nonrecurring Rebate Per Participant in 2023 was \$269.57, whereas in 2022, the Nonrecurring Rebate Per Participant was \$528. Please explain the reasons for the year-to-year change in the Nonrecurring Rebate amounts.

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  - A. In 2023, the utility processed rebates for 452 participants, whereas in 2022, it processed rebates for 161 participants. Please describe what marketing efforts or other actions the utility took in 2023 to enhance participation in this program.
  - B. The utility reported that its Nonrecurring Cost Per Participant in 2023 was \$2,899, whereas in 2022, the Nonrecurring Cost Per Participant was \$1,162. Please explain the reasons for the year-to-year change in the Nonrecurring Cost amounts.
  
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  - B. The utility reported that its Nonrecurring Rebate Per Participant in 2023 was \$24,947.19, whereas in 2022, the Nonrecurring Rebate Per Participant was \$2,539. Please explain the reasons for the year-to-year change in the Nonrecurring Rebate amounts.
  
9. Page 3-20 of the Report references information on the utility's Commercial Custom Incentive program. The utility reported that its Nonrecurring Rebate Per Participant in 2023 was \$13,815.33, whereas in 2022, the Nonrecurring Rebate Per Participant was \$23,054. Please provide more information on the year-to-year change in the Nonrecurring Rebate amounts.

Please file all responses electronically no later than April 29, 2024 from the Commission's website at [www.floridapsc.com](http://www.floridapsc.com), by selecting the Clerk's Office tab and Electronic Filing Web Form. In addition, please email the filed response to [discovery-gcl@psc.state.fl.us](mailto:discovery-gcl@psc.state.fl.us). Please feel free to call me at (850) 413- 6544, or Bill McNulty at (850) 413-6848 if you have any questions.

Respectfully,

*/s/Michael Barrett*

Michael Barrett, Economic Supervisor