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July 1, 2024

**VIA: ELECTRONIC MAIL**

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

Re: Commission Review of Numeric Conservation Goals (Tampa Electric Company)  
FPSC Dkt. No.: 20240014-EG

Dear Mr. Teitzman:

Attached for filing in the above docket, on behalf of Tampa Electric Company, is the Rebuttal Testimony and Exhibit MRR-2 of Mark. R. Roche.

Thank you for your assistance in connection with this matter.

Sincerely,

A handwritten signature in blue ink that reads 'Malcolm N. Means'.

Malcolm N. Means

MNM/bml  
Attachments

cc: All Parties of Record

BEFORE THE  
FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 20240014-EG  
IN RE: COMMISSION REVIEW OF  
NUMERIC CONSERVATION GOALS  
TAMPA ELECTRIC COMPANY

REBUTTAL TESTIMONY

OF

MARK R. ROCHE

ON BEHALF OF TAMPA ELECTRIC COMPANY

FILED: JULY 1, 2024

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6  
7                   **INTRODUCTION**

8           **Q.**    Please state your name, address, occupation and employer.

9  
10           **A.**    My name is Mark R. Roche. My business address is 219  
11                   Lithia Pinecrest Road, Brandon, Florida, 33511. I am  
12                   employed by Alternative Energy Applications ("AEA") as  
13                   Vice President of North America Customer Energy  
14                   Efficiency Solutions. In this proceeding, I am a  
15                   consultant supporting Tampa Electric Company ("Tampa  
16                   Electric" or the "company").

17  
18           **Q.**    Are you the same Mark R. Roche who filed direct testimony  
19                   in this proceeding?

20  
21           **A.**    Yes.

22  
23           **Q.**    What are the purposes of your rebuttal testimony in this  
24                   proceeding?

1     **A.**    The purposes of my rebuttal testimony is to address the  
2            deficiencies and misconceptions in the direct testimony  
3            of Mackenzie D. Marcelin, who is testifying on behalf of  
4            Florida Rising, League of United Latin American Citizens  
5            ("LULAC"), and Environmental Confederation of Southwest  
6            Florida ("ECOSWF").

7

8     **Q.**    Do you have any general comments regarding the overall  
9            direct testimony of Mackenzie D. Marcelin?

10

11    **A.**    Yes. The testimony of Mr. Marcelin criticizes the amount  
12            of energy efficiency achieved in Florida and recommends  
13            increasing the number of projected participants in  
14            several of Tampa Electric's proposed Demand Side  
15            Management ("DSM") programs. In addition, Mr. Marcelin's  
16            testimony reveals that he does not fully understand how  
17            benefits are derived from DSM programs, such as load  
18            management or demand response programs, including how DSM  
19            programs are funded through the Energy Conservation Cost  
20            Recovery ("ECCR") clause.

21

22            Mr. Marcelin's criticism and recommendations principally  
23            rely on conclusions from using select conclusory reports  
24            and select historical reports from the company. These  
25            recommendations are not based on a full understanding of

1 the underlying reasons and basis for the company's  
2 proposed participation levels that were used to develop  
3 Tampa Electric's proposed DSM goals and programs for the  
4 2025-2034 period. Mr. Marcelin's recommendations are also  
5 provided without any consideration of the additional  
6 costs that Tampa Electric's customers would pay.

7  
8 Despite Mr. Marcelin's criticisms, Florida has been very  
9 successful in achieving significant demand and energy  
10 savings over time while keeping electric rates lower than  
11 the national average.

12  
13 Mr. Marcelin minimizes the nearly 40 years of successful  
14 delivery of conservation and energy efficiency programs  
15 by Tampa Electric and other select FEECA utilities to  
16 their customers. Enacted in 1980 and amended since that  
17 time, FEECA required the affected utilities to offer  
18 efficiency programs to customers to help reduce those  
19 customers' demand and energy in order to meet the three  
20 main original objectives of FEECA: 1) reduce the growth  
21 rates for electricity demand at peak times, 2) reduce the  
22 consumption of electricity, and 3) conserve expensive  
23 resources.

24  
25 To achieve these objectives, the Commission has

1 consistently required aggressive goals and at the same  
2 time has strived to be mindful of the rate impacts that  
3 conservation programs have on customers. Tampa Electric  
4 has been a consistent contributor to the overall success  
5 of Florida's energy conservation efforts over the last  
6 forty-plus years.

7  
8 **Q.** Have you prepared any exhibits in support of your  
9 rebuttal testimony?

10  
11 **A.** Yes. I have prepared an exhibit entitled, "Exhibit of  
12 Mark R. Roche", which is identified as Exhibit No. MRR-2.  
13 It consists of one (1) 1 document titled "Additional Cost  
14 Impacts of Mr. Marcelin's Recommendations" which contains  
15 the additional costs, over the 2025 through 2034 period,  
16 that would be incurred by Tampa Electric's customers if  
17 the recommendations proposed by Mr. Marcelin were  
18 approved by the Commission.

19  
20 **REBUTTAL TO DIRECT TESTIMONY OF MACKENZIE MARCELIN**

21 **Q.** On Page 5, Line 20, Mr. Marcelin asserts that Florida has  
22 the fourth highest electricity bills in the nation. Do  
23 you agree with this statement?

24  
25 **A.** I think this statement presents a faulty comparison. In

1 Florida, customers use electricity to provide air  
2 conditioning (cooling) in their homes, and most homes  
3 also use electricity to heat their homes during the  
4 winter months. Using the electricity bill as a comparison  
5 tool fails to recognize that customers in northern states  
6 (like Connecticut and New Hampshire) use other fuels such  
7 as heating oil, natural gas, and propane to heat their  
8 homes during the winter.

9  
10 **Q.** On Page 6, Lines 12 through 19, Mr. Marcelin points to  
11 the United States Energy Information Administration's  
12 ("EIA") data showing Florida's average electricity bills  
13 have increased from \$129.86 to \$167.76 to argue that  
14 Florida customers have high electricity bills compared to  
15 other states. Do you agree with how he uses this  
16 information?

17  
18 **A.** No, I think it is improper and misleading to only look at  
19 average total bills and not electricity rates. As I  
20 mentioned above, customers in northern states like  
21 Connecticut and New Hampshire may also use other fuels  
22 for winter heating, so comparing total electricity bills  
23 between Florida and those states is not an apples-to-  
24 apples comparison. I think it is also important to  
25 compare electricity rates between states. In fact, the

1 United States EIA data shows that for electric prices in  
2 kilowatt-hours ("kWh") from 2012 through 2022, Florida's  
3 electricity price per kWh has increased 21.72 percent,  
4 while at the same time electricity prices in Connecticut  
5 and New Hampshire over the same ten-year period increased  
6 41.92 percent and 58.43 percent respectively.  
7

8 **Q.** On Page 7, Line 11, Mr. Marcelin discusses the importance  
9 of comparing Florida with other states. Do you agree with  
10 this discussion?  
11

12 **A.** I do agree that showing relative comparisons to other  
13 states could be helpful, but as I explained above it is  
14 important to use the full context for comparison, not  
15 just those portions that may support one's position.  
16

17 **Q.** On Page 7, Line 12, Mr. Marcelin states that the factors  
18 driving Florida's electric bills higher, such as higher  
19 fuel costs or hotter summers, are not impacting other  
20 states in the same way. Do you agree with this statement?  
21

22 **A.** No. Many of Florida's neighboring states and utilities in  
23 farther away states are in fact impacted by many of the  
24 same drivers that drove electric bills to be higher in  
25 the recent past. For example, during 2022, the price of



1 natural gas experienced much more volatility than prior  
2 years due to the supply and demand of the fuel. This  
3 volatility in price was seen by most utilities across the  
4 United States that use natural gas for generation.

5  
6 **Q.** On Page 7, line 17, Mr. Marcelin states that the last  
7 time the Florida Public Service Commission ("Commission")  
8 set energy efficiency goals was in 2014. Do you agree  
9 with this statement?

10  
11 **A.** No. Tampa Electric filed proposed DSM goals in 2019 for  
12 consideration by the Commission. For these proposed DSM  
13 goals, Tampa Electric recommended the Commission to  
14 continue to use the Rate Impact Measure ("RIM") Test,  
15 coupled with the Participant Cost Test ("PCT") as the  
16 primary method for setting goals. In the establishment of  
17 DSM goals, the Commission considered the proposed DSM  
18 goals and chose to continue the DSM goal amounts that  
19 were approved in 2014. It is important to note that the  
20 DSM goals the company proposed in 2019 were higher than  
21 the DSM goals that were established for the 2020 through  
22 2024 period.

23  
24 **Q.** On Page 7, Line 21, through Page 8, Line 3, Mr. Marcelin  
25 states that the energy efficiency goals set in 2014 were

1 not successful. Do you agree with this statement?

2

3 **A.** No. Mr. Marcelin is confused about the purpose of  
4 offering DSM programs and goals and how to determine if  
5 they are successful. In his first sentence, Mr. Marcelin  
6 states that the reason the DSM goals are unsuccessful is  
7 that electric bills have continued to rise. Electric bill  
8 amounts are not a metric for determining if DSM programs  
9 are successful. Electric bills are also impacted by many  
10 other factors in addition to DSM participation, such as  
11 weather and fuel prices, among others. The company has  
12 been very successful over the last ten-year period by  
13 offering many DSM programs in which customers can  
14 participate in. The company has also had significant  
15 participation in those programs, which is shown by the  
16 company's achievement of the annual DSM goals that were  
17 approved by the Commission.

18

19 **Q.** On Page 8, Lines 4 through 9, Mr. Marcelin states that  
20 the Florida electric rate shown by the EIA is now in the  
21 top-22 of states in the nation for electricity rates. Do  
22 you agree with this statement and if so, does it apply to  
23 Tampa Electric?

24

25 **A.** First, on the EIA report Mr. Marcelin is referring to,

1 there is no need to calculate the average electricity  
2 retail price since it is provided as a column on the  
3 report. This column shows that Florida is ranked 29<sup>th</sup>,  
4 with an average electricity retail rate of 13.90 cents  
5 per kWh, while the average for the United States is 15.04  
6 cents per kWh. On January 1, 2022, the average electric  
7 residential rate for Tampa Electric was 10.02 cents per  
8 kWh, or 27.9 percent lower than the Florida average and  
9 33.4 percent lower than the United States average.

10  
11 **Q.** On Page 8, Lines 10 through 23, Mr. Marcelin states that  
12 Tampa Electric has some of the highest bills in the  
13 nation. Do you agree with this statement?

14  
15 **A.** No, I do not agree with this statement. Mr. Marcelin also  
16 leaves out important context from the company's responses  
17 to Florida Rising and LULAC's Requests for Admission in  
18 Docket No. 20240026-EI. There, the company denied that  
19 this calculation performed by Mr. Marcelin provides a  
20 meaningful approximation of an "average residential  
21 monthly bill" because the company has multiple rate  
22 schedules available to residential customers, meaning  
23 that even customers with relatively similar levels of  
24 electricity usage may have different bills. The company  
25 also denied that this calculation provides a relevant

1 approximation of a current or future "average residential  
2 monthly bill" because the calculation uses 2023 data,  
3 which does not reflect current or proposed rates. Also,  
4 it would be inappropriate to use this 2023 value as a  
5 metric for comparison due to the residential electricity  
6 rates not being the same throughout the year. In the  
7 beginning of 2023, the typical residential electric bill  
8 based upon 1,000 kWh of usage was \$146.72. In April of  
9 2023, the company received approval for a mid-course  
10 correction for fuel costs in addition to receiving  
11 Commission approval of storm restoration costs, which  
12 combined to increase the 1,000 kWh residential electric  
13 bill to \$161.13. At the beginning of 2024, lower fuel  
14 costs translated into a 1,000 kWh residential electric  
15 bill of \$136.44.

16  
17 **Q.** On Page 9, Line 16, through Page 10, Line 2, Mr. Marcelin  
18 takes issue with presenting the data in Florida based  
19 upon 1,000 kWh. Do you agree with his position?

20  
21 **A.** No, I disagree with this position. The Commission asks  
22 utilities to present data using both 1,000 kWh and 1,200  
23 kWh for the purposes of developing DSM goals, DSM  
24 programs, and eventually DSM Plans. The 1,200 kWh value  
25 is historically higher, in Tampa Electric's case, than an

1 average residential customer's average monthly  
2 electricity usage. Even if the 1,000 kWh amount was the  
3 only one used, the company believes that value, or  
4 reference point, would be sufficient. This is because the  
5 projected bill impact is only one of the many pieces of  
6 information that is evaluated by the Commission for their  
7 decisions.

8  
9 **Q.** On Page 10, Lines 3 through 10, Mr. Marcelin argues that  
10 using the 1,000 kWh threshold makes energy efficiency  
11 look more costly. Do you agree with this statement?

12  
13 **A.** No, I do not agree with this statement. This statement  
14 completely ignores why DSM activities are done in Florida  
15 and the tenets of FEECA. Utilities in Florida perform  
16 cost-effective DSM activities which ensures there are  
17 more benefits received by customers than the cost to  
18 perform those activities. These benefits are realized  
19 through the deferral or elimination of power plants and  
20 transmission and distribution lines.

21  
22 **Q.** On Page 10, Lines 11 through 20, Mr. Marcelin states that  
23 Florida's performance in Energy Efficiency is some of the  
24 worst in the nation. Do you agree with this statement?

25

1 **A.** No, I disagree with this statement. One of the main  
2 purposes of FEECA is to avoid the weather sensitive peak,  
3 which in turn avoids construction of more power plants.  
4 Mr. Marcelin focuses only on energy savings (kWh) with no  
5 recognition of the importance of saving summer and winter  
6 demand. In addition, Mr. Marcelin fails to recognize that  
7 Florida has been successfully performing cost-effective  
8 DSM for over four decades. As of the end of 2023, Tampa  
9 Electric has achieved 1,950.1 gigawatt-hours ("GWh") of  
10 cumulative avoided annual energy and cumulative summer  
11 and winter demand savings of 835.4 megawatts ("MW") and  
12 1,349.8 MW, respectively.

13  
14 **Q.** On Page 12, Lines 19 through 23, Mr. Marcelin states that  
15 customers in Florida use and pay for more electricity  
16 than they would otherwise need, and then states even the  
17 limited energy efficiency program that are offered to  
18 customers have not been fairly distributed. Do you agree  
19 with these statements?

20  
21 **A.** No, I do not. First, as I have proven above, Floridians  
22 pay less for electricity than most of the United States  
23 as compared to the average retail price per kWh, and  
24 certainly significantly less than those states with the  
25 highest average retail price. Second, Tampa Electric

1 historically has offered, and is proposing to offer in  
2 this proceeding, many DSM programs across all customer  
3 sectors so that all customers are able to participate in  
4 at least some of these programs.

5  
6 **Q.** On Page 13, Lines 10 through 14, Mr. Marcelin argues that  
7 most energy efficiency savings go to the commercial and  
8 industrial classes and that residential customers pay  
9 more into the programs through the energy conservation  
10 cost recovery clause, but businesses get most of the  
11 benefits. Do you agree with this statement?

12  
13 **A.** No. While Mr. Marcelin does not specify whether he  
14 believes this is the case for Tampa Electric, I disagree  
15 with the premise of the statement. When a customer  
16 participates in one of the company's DSM programs, all  
17 customers receive the benefits of avoided generation,  
18 avoided transmission, avoided distribution, and any net  
19 fuel benefits from that single customer participating.  
20 One group of the remaining customers does not receive  
21 more or less benefits from those benefits that are  
22 created by the participant. This is especially true if  
23 the RIM test is used as the primary test, since any  
24 program or portfolio that is cost-effective under that  
25 test provides more benefits to all customers than they

1 would otherwise receive in the absence of the DSM  
2 program.

3

4 **Q.** On Page 13, Lines 15 through 19, Mr. Marcelin makes a  
5 statement that, as discussed later, most energy  
6 efficiency funding goes to bill credits for big  
7 commercial and industrial customers for participating in  
8 interruptible or curtailable programs - even though those  
9 customers are not actually interrupted or curtailed. Do  
10 you agree with this statement?

11

12 **A.** I agree partially with this statement. I do agree that  
13 the company's load management and demand response program  
14 monthly credits make up a large portion of the company's  
15 overall ECCR expense. I disagree, however, that these  
16 participating customers are never interrupted or  
17 curtailed. If participants do not have their loads  
18 controlled in a given year, these load management and  
19 demand response DSM programs are still very cost  
20 effective to offer. The monthly credits received by  
21 customers in these programs are recognized by entering  
22 them into the company's cost-effectiveness model as  
23 recurring credits. Furthermore, participating customers'  
24 load is not included in the forecasted load in the  
25 company's resource plan because these customers could be



1 interrupted. Because their load is not included in the  
2 company's resource plan, it means that the company does  
3 not have to plan for this load, and it saves all  
4 customers money due to not having to potentially build  
5 another generator.

6  
7 In addition, as I stated in my direct testimony, "In the  
8 settlement that resolved Tampa Electric's 2021 base rate  
9 case, the company agreed to increase the amount of credit  
10 per kW to participating customers. Tampa Electric agreed  
11 that the level of these credits would remain in effect  
12 even after the 2021 settlement expires unless they are  
13 changed by a future settlement agreement or Commission  
14 order in the company's next base rate case." This  
15 statement reflects Commission Order No. PSC-2021-0423-S-  
16 EI that approved these credit adjustments and their  
17 ability to be adjusted when the settlement agreement  
18 expires.

19  
20 **Q.** On Page 13, Line 25 through Page 14, Line 3, Mr. Marcelin  
21 states that all FEECA utilities seem to recognize the  
22 importance of meeting the needs of low-income Floridians  
23 and renters and argues that the utilities did not apply  
24 the RIM test and two-year payback screen to low-income  
25 programs because the utilities recognize that these tests

1 "don't work for actual utility programs." Do you agree  
2 with his assessment?  
3

4 **A.** No. I agree that Tampa Electric has always recognized  
5 that DSM programs need to be designed so that all  
6 customers can participate. The statement made by Mr.  
7 Marcelin, however, implies that in this proceeding there  
8 has been a change in how the company has viewed it from  
9 the past, which is incorrect. Tampa Electric's proposed  
10 portfolio of programs is based upon the RIM test and the  
11 two-year payback screen, and this same methodology has  
12 worked very successfully for the company in the past, as  
13 well as for this proceeding. For low-income customers,  
14 the company includes low-income DSM programs that do not  
15 pass cost-effectiveness in each of the filed portfolios  
16 in the recommendations and encourages the Commission to  
17 allow those programs to be approved as they have done in  
18 the past.  
19

20 **Q.** On Page 14, Line 18 through Page 15, Line 9, Mr. Marcelin  
21 describes why he does not approve of the two-year simple  
22 payback, including rejecting the phrasing and  
23 characterization of customers utilizing energy efficiency  
24 measures as free riders because the cost of the energy  
25 efficiency measures is paid by customers through the

1 ECCR. Do you agree with these statements?

2

3 **A.** No, I disagree with these statements. These statements  
4 make it seem as if Mr. Marcelin does not recognize that  
5 it is a requirement to consider free riders as per Rule  
6 25-17.0021, Florida Administrative Code ("F.A.C.") in the  
7 development of DSM goals and that it is applied across  
8 all measures for all customers segments (residential,  
9 commercial, and industrial). In addition, the free rider  
10 screen is not meant as a tool to eliminate measures for  
11 low-income customers as Mr. Marcelin describes.

12

13 **Q.** On Page 15, Lines 8 and 9, Mr. Marcelin describes that  
14 all non-low-income energy efficiency programs require  
15 customers to pay to access the programs. Is this  
16 statement accurate for Tampa Electric?

17

18 **A.** No, this statement is not accurate, Tampa Electric has no  
19 access fees or registration fees charged to participate  
20 in any of the company's DSM programs. The company does  
21 have two paid energy audit programs in which the customer  
22 is charged a nominal fee (\$15 for residential, \$75 for  
23 commercial/industrial) to receive a comprehensive  
24 analysis for their home or commercial/industrial  
25 facility.

1     **Q.**    On Page 30, Lines 14 through 24, Mr. Marcelin recommends  
2           that the company should increase the projected  
3           participation in the company's proposed Residential Duct  
4           Repair program based on historic participation levels. Do  
5           you agree with the recommendations?  
6

7     **A.**    No. Projected participation in this program should not be  
8           based solely on historic participation but should also be  
9           based on saturation levels and changes in building codes.  
10          Tampa Electric considered these factors in designing the  
11          program. First, saturation levels reduce the number of  
12          potential participants. Between the inception of this  
13          program and the end of 2023, there have been 104,726  
14          participants in the program. Second, this program was  
15          affected by a building code change that occurred as of  
16          March 15, 2012. Homes that are constructed and receive a  
17          certificate of occupancy on or after that date require  
18          the duct system to be sealed which makes any homes  
19          constructed after this date ineligible for the program.  
20          This building code also applies to all homes where the  
21          heating, ventilation, and air conditioning ("HVAC")  
22          system is replaced, which also lowers the available  
23          population for participation in this DSM program as duct  
24          systems in older homes are sealed. Mr. Marcelin's  
25          proposed level of 1,350 participants is not achievable

1 based on these trends. However, participation still may  
2 be increased. Over the past four years, with the rebate  
3 level set to \$135 per air distribution system, the  
4 company has gained on average 313 participants (low of  
5 251 to a high of 420). With the new recommended rebate  
6 level of \$270, the company projected 450 participants per  
7 year.

8  
9 **Q.** On Page 32, Lines 12 through 21, Mr. Marcelin recommends  
10 doubling the projected participants in the company's  
11 Energy and Renewable Education, Awareness and Outreach  
12 program. Do you agree with this recommendation?

13  
14 **A.** No. I do not support doubling the number of projected  
15 participants just because Mr. Marcelin says it is  
16 "doable." Tampa Electric has always supported energy and  
17 renewable education and fully supports this program. The  
18 projected 1,750 program participants only reflect the  
19 number of energy efficiency kits that are provided to  
20 qualifying customers through this program. This number  
21 does not reflect all the other activities that are  
22 performed in this program such as:

- 23 • Energy efficiency presentations at schools.
- 24 • Electric vehicle education.
- 25 • Energy efficiency presentations to civic

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organizations.

- Generating customer assisted energy audits.

In the prior DSM Plan proceeding in 2020, the company projected to provide 750 energy efficiency kits. In the settlement that resolved Tampa Electric's 2021 base rate case, the company agreed to increase the number of energy efficiency kits provided to qualifying customers each year to a level of 1,750 (an increase of 133 percent). Tampa Electric is proposing to maintain this higher level of energy efficiency kits being provided each year.

**Q.** On Page 34, Lines 12 through 16, Mr. Marcelin recommends increasing the projected participation in the ENERGY STAR new multi-family DSM program to 900 per year. Do you agree with this recommendation?

**A.** No. I do not agree with this recommendation because it is based solely on Mr. Marcelin's opinion and not on any factual basis. Tampa Electric projected 300 units once every three years, recognizing that participants in this program are really governed by the builders of new multi-family developments/residences. The company has met with builders to educate them on the many benefits of building to the ENERGY STAR level and to encourage them to do so.

1 Since the inception of this program in 2017, one  
2 development in 2019 received the ENERGY STAR  
3 certification which contained 264 units. The company is  
4 being very reasonable, and even optimistic, in projecting  
5 a participation level of 300 units once every three years  
6 and clearly does not recommend incorporating any  
7 additional units over this amount because any additional  
8 DSM goals amounts would need to be obtained from other  
9 DSM programs if these units are not constructed.

10  
11 **Q.** On Page 35, Line 21 through Page 36, Line 5, Mr. Marcelin  
12 recommends increasing the number of projected  
13 participants in the company's heating and cooling  
14 program. Do you agree with this recommendation?

15  
16 **A.** No, I do not agree with the recommendation. Mr.  
17 Marcelin's testimony offers no factual basis for this  
18 proposed increase. In this proceeding, the company is  
19 proposing the heating and cooling program to operate with  
20 two tiers (1 and 2). In Tier 1, the company proposes  
21 lowering the current rebate level of \$135 to \$40, so  
22 tripling the number of projected participants does not  
23 make logical sense. For Tier 2, the company projects  
24 1,000 participants per year based upon the proposed  
25 rebate amount of \$550.

1 While Mr. Marcelin offers no data to support his  
2 recommended participation level, the company's proposed  
3 participation level is based on actual recent  
4 participation in this program. Between 2020 and 2023, the  
5 company has seen a 53 percent drop in participation in  
6 this program. The company believes the decrease in  
7 participation in this program in recent years is due to  
8 two contributing factors. The first factor is the change  
9 in building code requirements, which changed the minimum  
10 base efficiency from a SEER rating level of 14 to the new  
11 requirement of a SEER 15. This increase of efficiency  
12 changed the minimum required to participate in the  
13 company's program due to the requirement of the program  
14 to exceed the minimum level by at least one SEER level  
15 (i.e. - increased from a minimum 15 SEER to now a 16 SEER  
16 level). This increased SEER level has a higher  
17 incremental cost than the prior SEER level, which the  
18 company believes is contributing to this decline in  
19 participation. The second factor the company believes is  
20 causing the decrease in participation is due to the  
21 increased cost of everyday goods (groceries, gasoline,  
22 etc.) which the company believes causes customers to  
23 focus more on the initial cost of the equipment, than the  
24 efficiency of the unit when an HVAC unit is replaced. In  
25 addition, there has not been a change in the company's



1 marketing or outreach efforts for this program. Based on  
2 these recent trends, it would be inappropriate to project  
3 more participants for this program.  
4

5 **Q.** On Page 38, Line 23 through Page 39, Line 12, Mr.  
6 Marcelin recommends increasing the projected  
7 participation in the company's Neighborhood  
8 Weatherization program to 10,000 per year. Do you agree  
9 with this recommendation?  
10

11 **A.** No, I do not agree with this recommendation. Mr. Marcelin  
12 offers no factual basis for his opinion that increased  
13 participation is achievable. Just as with the company's  
14 Energy and Renewable Education, Awareness and Agency  
15 Outreach program, Tampa Electric has always fully  
16 supported Neighborhood Weatherization and projected 7,500  
17 program participants in all three portfolios that were  
18 filed in this proceeding. In the prior DSM Plan  
19 proceeding in 2020, the company projected 6,500  
20 Neighborhood Weatherization participants. In the  
21 settlement that resolved Tampa Electric's 2021 base rate  
22 case, the company agreed to increase the number of  
23 Neighborhood Weatherization participants each year to  
24 7,500. Tampa Electric is proposing to maintain this  
25 higher level of weatherization being provided each year.

1 It is also important to note that in 2020 the Commission  
2 approved the company's request to add the performance of  
3 a walk-through energy audit to homes participating in  
4 this program. Tampa Electric proposes to continue this in  
5 the company's proposed goals and programs in this  
6 proceeding.

7  
8 **Q.** On Page 40, Line 23 and 24, Mr. Marcelin summarized  
9 recommended DSM goals for Tampa Electric. Do you support  
10 any of these recommended changes to the company's filed  
11 proposed DSM goals and programs?

12  
13 **A.** No. I do not support any of Mr. Marcelin's recommended  
14 changes to the company's proposed DSM goals or DSM  
15 programs for the reasons I have explained above.

16  
17 **Q.** On Page 42, Lines 10 through 20, Mr. Marcelin recommends  
18 cutting monthly credits to load management and demand  
19 response participants by at least three quarters, if not  
20 eliminating them entirely. Do you agree with this  
21 recommendation?

22  
23 **A.** No, I do not agree with this recommendation. Mr. Marcelin  
24 does not fully understand how benefits are derived from  
25 these load management and demand response programs. These

1 load management and demand response programs all pass the  
2 RIM test, meaning these programs provide benefits to all  
3 rate payers because these installations will place  
4 downward pressure on rates for all of the company's  
5 customers, regardless of their energy usage on a monthly  
6 basis. In this proceeding, the cost-effectiveness scores  
7 went up for all of these load management and demand  
8 response programs. As I explained above, the monthly  
9 credits received by customers in these programs are  
10 recognized by entering them into the company's cost-  
11 effectiveness model as recurring credits. The company  
12 chose to maintain the credit levels at their current  
13 level because they are effective at attracting  
14 participants to the program while retaining participants  
15 on the programs. As I also explained above, by having  
16 these customers on these programs, the company does not  
17 plan for their load in the company's resource plan  
18 because these customers could be interrupted. Because  
19 their load is not included in the company's resource  
20 plan, it means that the company does not have to plan for  
21 this load, and it saves all customers money due to not  
22 having to potentially build another generator.

23  
24 **Q.** In your general comments above, you stated that Mr.  
25 Marcelin's recommendations are provided without any

1 consideration of the additional costs that Tampa  
2 Electric's customers would pay. If Mr. Marcelin's  
3 recommendations were approved, how much additional costs  
4 would Tampa Electric customers pay through the ECCR over  
5 the 2025 through 2034 period.

6  
7 **A.** First, I would re-emphasize the points that I have  
8 discussed above that none of Mr. Marcelin's  
9 recommendations should be approved. If the  
10 recommendations were approved, it would increase the  
11 costs over the 2025 through 2034 period by \$42.8 million  
12 dollars as detailed in my Exhibit No. MRR-2, Document No.  
13 1.

14  
15 **Q.** Does this conclude your rebuttal testimony?

16  
17 **A.** Yes.  
18  
19  
20  
21  
22  
23  
24  
25

**EXHIBIT**

**OF**

**MARK R. ROCHE**

**Table of Contents**

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**Additional Cost Impacts of Mr. Marcelin's Recommendations**

**1. DSM Program: Residential Duct Repair**

Mr. Marcelin's Recommendation: Triple the proposed annual participation from 450 participants per year to 1,350 participants per year.

Additional Cost Impact: An increase of \$274,500 per year, or a total increase of \$2,745,000 over the ten-year period.

**2. DSM Program: Energy and Renewable Education, Awareness and Outreach**

Mr. Marcelin's Recommendation: Double the proposed annual participation from 1,750 participants per year to 3,500 participants per year.

Additional Cost Impact: An increase of \$82,425 per year, or a total increase of \$824,250 over the ten-year period.

**3. DSM Program: ENERGY STAR Multi-Family New Residences**

Mr. Marcelin's Recommendation: Triple the proposed annual participation of 300 in years 2027, 2030, and 2033 to 900 participants per year in all years during the 2025-2034 period.

Additional Cost Impact: An increase in the years 2027, 2030, and 2033 of \$222,000 and all other years in the 2025-2034 period of \$333,000 per year or a total increase of \$2,997,000 over the ten-year period.

**4. DSM Program: Residential Heating and Cooling (Tier 1)**

Mr. Marcelin's Recommendation: Triple the proposed annual participation from 500 participants per year to 1,500 participants per year.

Additional Cost Impact: An increase of \$75,000 per year, or a total increase of \$750,000 over the ten-year period.

**5. DSM Program: Residential Heating and Cooling (Tier 2)**

Mr. Marcelin's Recommendation: Triple the proposed annual participation from 1,000 participants per year to 3,000 participants per year.

Additional Cost Impact: An increase of \$1,170,000 per year, or a total increase of \$11,700,000 over the ten-year period.

**6. DSM Program: Neighborhood Weatherization**

Mr. Marcelin's Recommendation: Increase the proposed annual participation from 7,500 participants per year to 10,000 participants per year.

Additional Cost Impact: An increase of \$2,375,000 per year, or a total increase of \$23,750,000 over the ten-year period.



**Summary:**

Additional Cost Impacts of Mr. Marcelin's Recommendations							
	Duct Repair	Energy and Renewable Education, Awareness and Agency Outreach	ENERGY STAR Multi-Family New Residences	Heating and Cooling Tier 1	Heating and Cooling Tier 2	Neighborhood Weatherization	
2025	\$274,500	\$82,425	\$333,000	\$75,000	\$1,170,000	\$2,375,000	
2026	\$274,500	\$82,425	\$333,000	\$75,000	\$1,170,000	\$2,375,000	
2027	\$274,500	\$82,425	\$222,000	\$75,000	\$1,170,000	\$2,375,000	
2028	\$274,500	\$82,425	\$333,000	\$75,000	\$1,170,000	\$2,375,000	
2029	\$274,500	\$82,425	\$333,000	\$75,000	\$1,170,000	\$2,375,000	
2030	\$274,500	\$82,425	\$222,000	\$75,000	\$1,170,000	\$2,375,000	
2031	\$274,500	\$82,425	\$333,000	\$75,000	\$1,170,000	\$2,375,000	
2032	\$274,500	\$82,425	\$333,000	\$75,000	\$1,170,000	\$2,375,000	
2033	\$274,500	\$82,425	\$222,000	\$75,000	\$1,170,000	\$2,375,000	
2034	\$274,500	\$82,425	\$333,000	\$75,000	\$1,170,000	\$2,375,000	
Total	\$2,745,000	\$824,250	\$2,997,000	\$750,000	\$11,700,000	\$23,750,000	Total All Programs \$42,766,250

**CERTIFICATE OF SERVICE**

I HEREBY CERTIFY that a true and correct copy of the foregoing Rebuttal Testimony filed on behalf of Tampa Electric Company has been furnished by electronic mail on this 1st day of July, 2024 to the following:

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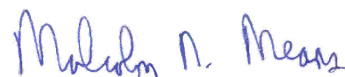
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