

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Commission review of numeric conservation goals (Florida Power & Light Company).

DOCKET NO. 20240012-EG

In re: Commission review of numeric conservation goals (Duke Energy Florida, LLC).

DOCKET NO. 20240013-EG

In re: Commission review of numeric conservation goals (Tampa Electric Company).

DOCKET NO. 20240014-EG

In re: Commission review of numeric conservation goals (Florida Public Utilities Company).

DOCKET NO. 20240015-EG

In re: Commission review of numeric conservation goals (JEA).

DOCKET NO. 20240016-EG

In re: Commission review of numeric conservation goals (Orlando Utilities Commission).

DOCKET NO. 20240017-EG  
ORDER NO. PSC-2024-0293-PHO-EG  
ISSUED: August 2, 2024

PREHEARING ORDER

Pursuant to Notice and in accordance with Rule 28-106.209, Florida Administrative Code (F.A.C.), a Prehearing Conference was held on July 23, 2024, in Tallahassee, Florida, before Commissioner Art Graham, as Prehearing Officer.

APPEARANCES:

CHRISTOPHER T. WRIGHT and WILLIAM P. COX, ESQUIRES, 700 Universe Boulevard, Juno Beach, Florida 33408-0420  
On behalf of Florida Power & Light Company (FPL).

DIANNE M. TRIPLETT, MATTHEW R. BERNIER and STEPHANIE A. CUELLO, ESQUIRES, 299 First Avenue North, St. Petersburg, Florida 33701  
On behalf of Duke Energy Florida, LLC (DEF).

J. JEFFRY WAHLEN, MALCOLM N. MEANS and VIRGINIA PONDER,  
ESQUIRES, Ausley & McMullen, Post Office Box 391, Tallahassee, Florida  
32302

On behalf of Tampa Electric Company (TECO).

BETH KEATING, ESQUIRE, Gunster, Yoakley & Stewart, P.A., 215 South  
Monroe Street, Suite 601, Tallahassee, Florida 32301

On behalf of Florida Public Utilities Company (FPUC).

GARY V. PERKO, MOHAMMAD O. JAZIL and VALERIE L. CHARTIER-  
HOGANCAMP, ESQUIRES, Holtzman, Vogel, Baran, Torchinsky & Josefiak,  
PLLC, 119 South Monroe Street, Suite 500, Tallahassee, Florida 32301

On behalf of JEA (JEA).

ROBERT SCHEFFEL WRIGHT and JOHN T. LAVIA, III, ESQUIRES,  
Gardner, Bist, Bowden, Dee, LaVia, Wright, Perry & Harper, P.A., 1300  
Thomaswood Drive, Tallahassee, Florida 32308

On behalf of Orlando Utilities Commission (OUC).

SEAN T. GARNER, ERIK SAYLER and KELLY WRIGHT, ESQUIRES,  
Florida Department of Agriculture & Consumer Service, Office of General  
Counsel, The Mayo Building, 407 S. Calhoun Street, Suite 520, Tallahassee,  
Florida 32399-0800

On behalf of Florida Department of Agriculture & Consumer Services (FDACS).

JON C. MOYLE, JR. and KAREN A. PUTNAL, ESQUIRES, Moyle Law Firm,  
P.A., 118 North Gadsden Street, Tallahassee, Florida 32301

On behalf of Florida Industrial Power Users Group (FIPUG).

BRADLEY MARSHALL and JORDAN LUEBKEMANN, ESQUIRES,  
Earthjustice, 111 S. Martin Luther King Jr. Blvd., Tallahassee, Florida 32301

On behalf of Florida Rising, Inc. (FL Rising), Environmental Confederation of  
Southwest Florida (ECOSWF) and League of United Latin American Citizens  
(LULAC).

PETER J. MATTHEIS, MICHAEL K. LAVANGA and JOSEPH R. BRISCAR,  
ESQUIRES, Stone, Mattheis, Xenopoulos & Brew, PC, 1025 Thomas Jefferson  
Street, NW, Eighth Floor, West Tower, Washington, DC 20007

On behalf of Nucor Steel Florida, Inc. (Nucor).

JAMES W. BREW, LAURA WYNN BAKER and SARAH B. NEWMAN,  
ESQUIRES, Stone, Mattheis, Xenopoulos & Brew, PC, 1025 Thomas Jefferson  
Street, NW, Eighth Floor, West Tower, Washington, DC 20007  
On behalf of White Springs Agricultural Chemicals, Inc. d/b/a PCS Phosphate –  
White Springs (PCS Phosphate).

WILLIAM C. GARNER, ESQUIRE, Law Office of William C. Garner, PLLC,  
3425 Bannerman Road, Unit 105, No. 414, Tallahassee, Florida 32312  
On behalf of Southern Alliance for Clean Energy (SACE).

STEPHANIE U. EATON, ESQUIRE, Spilman, Thomas & Battle, PLLC, 110  
Oakwood Drive, Suite 500, Winston-Salem, North Carolina 27103  
STEVEN W. LEE, ESQUIRE, Qualified Representative, Spilman, Thomas &  
Battle, PLLC, 1100 Bent Creek Blvd., Suite 101, Mechanicsburg, Pennsylvania  
17050  
On behalf of Walmart, Inc. (Walmart).

JACOB IMIG and JON RUBOTTOM, ESQUIRES, Florida Public Service  
Commission, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850  
On behalf of the Florida Public Service Commission (Staff).

MARY ANNE HELTON, ESQUIRE, Deputy General Counsel, Florida Public  
Service Commission, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-  
0850  
Advisor to the Florida Public Service Commission.

KEITH C. HETRICK, ESQUIRE, General Counsel, Florida Public Service  
Commission, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850  
Florida Public Service Commission General Counsel

## **I. CASE BACKGROUND**

On January 5, 2024, Docket Nos. 20240012-EG, 20240013-EG, 20240014-EG, 20240015-EG, 20240016-EG, and 20240017-EG were established to review and adopt the corresponding utility's conservation goals pursuant to Sections 366.80-366.83 and 403.519, Florida Statutes. (F.S.), known collectively as the Florida Energy Efficiency and Conservation Act (FEECA). By the Order Consolidating Dockets and Establishing Procedure, Order No. PSC-2024-0022-PCO-EG, issued January 23, 2024 (OEP), the dockets were consolidated for purposes of hearing, and controlling dates were established. The OEP was subsequently modified by the First Order Modifying Order Establishing Procedure, Order No. PSC-2024-0159-PCO-EG, issued May 17, 2024. The matter has been scheduled for a formal hearing from August 6, 2024, through August 9, 2024.

## **II. CONDUCT OF PROCEEDINGS**

Pursuant to Rule 28-106.211, F.A.C., this Prehearing Order is issued to prevent delay and to promote the just, speedy, and inexpensive determination of all aspects of this case.

## **III. JURISDICTION**

This Commission is vested with jurisdiction over the subject matter by the provisions of Chapter 366, Florida Statutes (F.S.). This hearing will be governed by said Chapter and Chapters 25-17, 25-22, and 28-106, F.A.C., as well as any other applicable provisions of law.

## **IV. PROCEDURE FOR HANDLING CONFIDENTIAL INFORMATION**

Information for which proprietary confidential business information status is requested pursuant to Section 366.093, F.S., and Rule 25-22.006, F.A.C., shall be treated by the Commission as confidential. The information shall be exempt from Section 119.07(1), F.S., pending a formal ruling on such request by the Commission or pending return of the information to the person providing the information. If no determination of confidentiality has been made and the information has not been made a part of the evidentiary record in this proceeding, it shall be returned to the person providing the information. If a determination of confidentiality has been made and the information was not entered into the record of this proceeding, it shall be returned to the person providing the information within the time period set forth in Section 366.093, F.S. The Commission may determine that continued possession of the information is necessary for the Commission to conduct its business.

It is the policy of this Commission that all Commission hearings be open to the public at all times. The Commission also recognizes its obligation pursuant to Section 366.093, F.S., to protect proprietary confidential business information from disclosure outside the proceeding. Therefore, any party wishing to use any proprietary confidential business information, as that term is defined in Section 366.093, F.S., at the hearing shall adhere to the following:

- (1) When confidential information is used in the hearing that has not been filed as prefiled testimony or prefiled exhibits, parties must have copies for the Commissioners, necessary staff, and the court reporter, in red envelopes clearly marked with the nature of the contents and with the confidential information highlighted. Any party wishing to examine the confidential material that is not subject to an order granting confidentiality shall be provided a copy in the same fashion as provided to the Commissioners, subject to execution of any appropriate protective agreement with the owner of the material.

- (2) Counsel and witnesses are cautioned to avoid verbalizing confidential information in such a way that would compromise confidentiality. Therefore, confidential information should be presented by written exhibit when reasonably possible.

At the conclusion of that portion of the hearing that involves confidential information, all copies of confidential exhibits shall be returned to the proffering party. If a confidential exhibit has been admitted into evidence, the copy provided to the court reporter shall be retained in the Office of Commission Clerk's confidential files. If such material is admitted into the evidentiary record at hearing and is not otherwise subject to a request for confidential classification filed with the Commission, the source of the information must file a request for confidential classification of the information within 21 days of the conclusion of the hearing, as set forth in Rule 25-22.006(8)(b), F.A.C., if continued confidentiality of the information is to be maintained.

#### **V. PREFILED TESTIMONY AND EXHIBITS; WITNESSES**

Testimony of all witnesses to be sponsored by the parties (and Staff) has been prefiled and will be inserted into the record as though read after the witness has taken the stand and affirmed the correctness of the testimony and associated exhibits. All testimony remains subject to timely and appropriate objections. Upon insertion of a witness' testimony, exhibits appended thereto may be marked for identification. Each witness will have the opportunity to orally summarize his or her testimony at the time he or she takes the stand. Summaries of testimony shall be limited to three minutes.

Witnesses are reminded that, on cross-examination, responses to questions calling for a simple yes or no answer shall be so answered first, after which the witness may explain his or her answer. After all parties and Staff have had the opportunity to cross-examine the witness, the exhibit may be moved into the record. All other exhibits may be similarly identified and entered into the record at the appropriate time during the hearing.

The Commission frequently administers the testimonial oath to more than one witness at a time. Therefore, when a witness takes the stand to testify, the attorney calling the witness is directed to ask the witness to affirm whether he or she has been sworn.

The parties shall avoid duplicative or repetitious cross-examination. Further, friendly cross-examination will not be allowed. Cross-examination shall be limited to witnesses whose testimony is adverse to the party desiring to cross-examine. Any party conducting what appears to be a friendly cross-examination of a witness should be prepared to indicate why that witness's direct testimony is adverse to its interests.

**VI. ORDER OF WITNESSES**

Each witness whose name is preceded by an asterisk (\*) is excused from the hearing. Each witness whose name is preceded by a plus sign (+) will present direct and rebuttal testimony together.

<u>Witness</u>	<u>Proffered By</u>	<u>Issues #</u>
<u>Direct</u>		
*Tim Duff	DEF	1-7, 12-13
Jim Herndon	FPL DEF TECO FPUC JEA OUC	1 1-2, 7 1 1-5, 7 1-4, 7, 12-13 1-7, 12-13
+John F. Floyd	FPL	2-5, 7-13
+Andrew W. Whitley	FPL	3-7, 12-13
+Mark R. Roche	TECO	1-8, 12-13
*Derrick M. Craig	FPUC	1-6, 8, 12-13
*Michael T. Clark	FPUC	2
+Brian Pippin	JEA	1-8, 12-13
Bradley E. Kushner <i>Unavailable on 8/6</i>	JEA OUC	1, 3-5 3, 6, 12
+Kevin M. Noonan	OUC	1-5, 7, 12
*Jeff Pollock	FIPUG	3-4, 8, 12
*MacKenzie Marcelin	FL Rising/ECOSWF/ LULAC	1-5, 7-9, 12
*Tony Georgis	Nucor/PCS Phosphate	2-5, 8, 12
*Steven W. Chriss	Walmart	3-4, 8A, 8B, 12

<u>Witness</u>	<u>Proffered By</u>	<u>Issues #</u>
<u>Rebuttal</u>		
*Tim Duff	DEF	1-7, 12-13
+John F. Floyd	FPL	2-5, 7-9
+Andrew W. Whitley	FPL	3-5, 7
+Mark R. Roche	TECO	1-5, 7-8, 12
+Brian Pippin	JEA	12
+Kevin M. Noonan	OUC	1-5, 7, 12

**VII. BASIC POSITIONS**

**FPL:** Pursuant to the Florida Energy Efficiency and Conservation Act (FEECA) and Rules 25- 17.001, 25-17.0021, and 25-17.008, Florida Administrative Code, FPL has proposed numeric conservation Goals for reasonably achievable demand savings and annual energy savings for the next ten years. As required by Rule 25-17.0021(3), FPL’s proposed DSM Goals are based upon FPL’s most recent planning process, used both the Participant and RIM test scenario and the Participant and TRC test scenario, and considered the effects of free riders and building codes and appliance efficiency standards.

FPL followed a rigorous, six-step analytical process similar to the process it has used in past DSM Goal-setting proceedings to develop its DSM Goals. FPL’s analyses demonstrate that FPL’s proposed DSM Goals are 419 megawatts (MW) Summer demand, 326 MW Winter demand, and 931 gigawatt-hours (GWh) energy reduction are reasonable and appropriate for serving FPL’s customers for the 2025-2034 DSM Goals period.

After careful analysis, FPL recommends goals for the period 2025-2034 that reflect continuation of its current portfolio of energy-efficiency and load-management programs, expansion of the existing low-income weatherization program, and introduction of a new low- income Renter Pilot. FPL’s proposal also includes expansion of the On Call® load-management program with a new “HVAC On-Bill Option.” This new option expands the On Call® load-management program, which has been approved by the Commission and been in place since 1986, to allow greater customer access to new energy-saving HVAC

equipment in a way that also passes the RIM cost-effectiveness test. Under this program, a customer will receive a new efficient HVAC unit that FPL will have the ability to control in peak demand situations. Collectively, FPL's proposed DSM programs focus on the highest priorities of weather-sensitive peak demand, continue to provide customer incentives for making energy-efficient investments, and can be delivered with little to no incremental bill impact to customers.

FEL was the only party to take a position on FPL's proposed 2025-2034 DSM Goals. FEL opposes the use of the two-year-payback screening criterion but does not offer an alternative method to screen the impacts of free riders as required by Rule 25-17.0021(3). The two-year payback criterion is a reasonable mechanism previously approved by the Commission to screen out measures that already have a reasonable economic payback without any DSM incentive.

FEL recommends expanding FPL's low-income programs to match Tampa Electric Company's (TECO) proposals on a per-capita basis – specifically, reaching 6.92 times as many low-income customers as TECO. FEL also recommends increasing FPL's residential HVAC program enrollment target to 150,000 customers per year. FEL questions the proposed cap on the incentive to be available under FPL's proposed Low Income Renter Pilot, and whether the costs of the upgraded appliance will be shifted from the landlord to the tenant. Finally, FEL proposes that the credits for the CILC and CDR programs be cut by at least half. The Commission previously determined that these credits would be addressed in FPL's next base rate case (per FPL's Commission-approved 2021 Settlement Agreement).

FEL's recommendations are not based on any assessment of the technical potential of energy-efficiency measures, any cost-effectiveness analyses, nor any cost, rate, or bill impact analyses. FEL's proposals are not consistent with Commission's DSM Goals rules and overlook that this is not the appropriate proceeding to reset the CILC and CDR credits due to FPL's approved 2021 base rate case settlement. Moreover, FEL's proposals would result in significant rate impacts to all of FPL's customers, including low-income customers, renters, and customers who are unable to participate in DSM programs. For these reasons, as further explained in FPL's rebuttal testimonies and exhibits, FEL's recommendations should be rejected.

For all the reasons discussed above, and as explained in more detail in the direct and rebuttal testimony provided by its witnesses, FPL's proposed DSM Goals should be approved. FPL's proposal complies with the requirements of Section 366.82, Florida Statutes, complies with Rules 25-17.0021 and 25-17.008, Florida Administrative Code, and will establish DSM goals at a reasonable and appropriate level given current projections of FPL system costs while continuing to maintain low electric rates for all FPL customers.



**DEF:** DEF has been offering energy efficiency programs and measures to its customers for more than 35 years. In addition, changes in building codes, federal baseline standards and economic conditions have increased the amount of efficiency that customers are undertaking on their own, without incentive from the utility. These factors over time will reduce the number of programs and measures that DEF can cost-effectively offer its customers. Accordingly, the ten-year proposed conservation goals set forth in the testimony of DEF witness Tim Duff are based upon DEF's most recent planning process of the total, cost-effective, winter and summer peak demand (MW) and annual energy (GWh) savings reasonably achievable in the residential and commercial/industrial classes through demand side management. DEF's projections of summer and winter demand savings, annual energy savings, and participants reflect consideration of overlapping measures, rebound effects, free riders, effects of changes to building codes and appliance efficiency standards, and DEF's evaluation of conservation programs and measures.

The Company's updated proposed Recommended goals are based on a collection of programs and underlying measures that pass the Participant, Total Resource Cost ("TRC") and Rate Impact Measure ("RIM") tests, with the exception of a few measures included in programs targeting low-income customers. Specifically, DEF is updating and proposing a goal of 373 MW of winter peak demand reduction, 300 MW of summer peak demand reduction, and 582 GWh of energy reduction over the 2025-2034 time period. The updated proposed cost-effective DSM goals meet the requirements of Chapter 25-17, Florida Administrative Code (F.A.C.). DEF proposes that the Commission set DSM goals based on programs including measures that pass the PCT, TRC and RIM tests, because these tests are well-balanced and ensure that the perspectives of participants and all other ratepayers (including non-participants) are fairly considered.

The Commission should approve DEF's overall Residential MW and GWh goals and overall commercial/industrial MW and GWh goals set forth in Mr. Duff's testimony. These goals reflect the reasonably achievable demand side management potential in DEF's service territory over the ten-year period 2025-2034 developed in DEF's planning process.

In accordance with the 2024 Settlement Agreement filed in Docket No. 20240025-EI and the Joint Notice of Necessary Stipulations filed in this docket on July 15, 2024, DEF has entered into Stipulations on Issue 8b and Issue 12 with the signatories. If the Commission approves the proposed stipulations on Issues 8b and 12, DEF is agreeable to Type 2 stipulations on all remaining issues, with the exception of Issue 8a. If the Commission does not approve the proposed stipulations as set forth in the Joint Notice, DEF reserves the right to reinstate its original position on these issues as detailed in the Statement on Specific Issues below.

**TECO:** Based on the analysis performed by Tampa Electric for this current demand side management ("DSM") goals setting process, the company's proposed reasonably achievable generator level DSM goals for the 2025-2034 period are 149.0 MW of summer demand savings, 197.1 MW of winter demand savings, and 450.5 GWh of annual energy savings. These amounts are detailed on an annual basis for both the residential and commercial/industrial sectors in Document No. 1 of the Exhibit of Mr. Mark R. Roche (MRR-1).

The recommended adjustments to Tampa Electric's proposed DSM program participation and goals by Florida Rising, League of United Latin American Citizens ("LULAC"), and Environmental Confederation of Southwest Florida ("ECOSWF") are mainly based upon opinions with no factual basis or a full understanding of the underlying reasons and basis for the company's proposed participation levels that were used to develop Tampa Electric's proposed DSM goals and programs for the 2025-2034 period.

**FPUC:** FPUC's proposed conservation goals for the 2025-2034 period, as described in the testimony of FPUC's witness Derrick M. Craig, are based upon FPUC's most recent planning process and reflect the total winter and summer peak demand and annual energy savings reasonably achievable in the Company's residential and commercial/industrial classes through cost-effective demand side management. They adequately reflect the costs and benefits to customers participating in DSM measures, as well as the Company's general body of ratepayers. Consistent with the FEECA statute, the Company's goals also give appropriate consideration to the need for incentives to promote efficiency and renewable systems. As such, FPUC's proposed goals are consistent with FEECA.

FPUC's proposed goals are also supported by the testimony and supporting exhibits of Resource Innovations' representative Jim Herndon. As part of a collaborative process, Resource Innovations was retained by the FEECA utilities for the purpose of assessing the technical potential for energy efficiency, demand response, and demand-side renewable energy resources for reducing residential, commercial, and industrial customer electric demand and seasonal peak capacity demands. Resource Innovations also provided an economic analysis for a subset of FEECA utilities, which included FPUC, and thereafter provided the Company with a complete Technical Potential Study (TPS) that is filed with Mr. Herndon's Direct Testimony as Exhibit JH-5. In conducting the technical potential test, which serves as the foundation for assessing the economic and achievable potential, Resource Innovations included the full application of DSM technologies commercially available to all residential, commercial, and industrial customers in FPUC's territory to determine which measures are cost-effective in which circumstances, and to develop estimates of the potential impacts of adopting these measures. The assessment utilized a current utility forecast, supported in this proceeding FPUC consultant, Michael Ty Clark of Christensen Associates Energy

Consulting LLC. Using its proprietary TEA-POT model, Resource Innovations considered a wide range of energy efficiency and demand response measures, as well as rooftop solar photovoltaic systems, battery storage systems, and combined heat and power systems screening for the required sensitivities. The results of this analysis reflect that no energy efficiency measures passed the RIM test, and there are no demand reduction measures or demand-side renewable energy systems that are cost-effective for FPUC.

FPUC's proposed DSM goals are based on the TRC scenario with a 2-year minimum payback screen applied. These figures represent a 10-year goal time frame. The total achievable residential potential is 5.1 GWh, commercial potential is 4.3 GWh, and industrial potential is 2.5 GWh, resulting in a total 10-year goal of 11.8 GWh. The achievable summer peak MW savings are 1.0 MW for residential, 0.7 MW for commercial, and 0.3 MW for industrial, totaling 2.0 MW for the Company's system. FPUC's achievable winter potential for residential savings is 1.2 MW, 0.7 MW for commercial, 0.3 MW for industrial, and a total of 2.2 MW for the system. There were no cost-effective demand response measures for FPUC, nor did the study reflect any achievable potential for either commercial or residential demand-side renewable technologies.

FPUC therefore proposes that its reasonably achievable goals for the period covering 2025 to 2034 are as follows: The proposed 10-year goal for residential energy efficiency is 3.8 GWh; for non-residential/commercial the proposed goal is 2.3 GWh; and the total proposed energy efficiency goal of 6.1 GWh. For summer MW goals, the Company proposes a residential target of 2.58 MW; a non-residential/commercial target of 0.35 MW; and a cumulative total goal of 0.93 MW. The proposed achievable winter MW goals would be 1.15 MW for residential and 0.33 MW for non-residential/commercial, culminating in a combined total winter megawatt goal of 1.83 MW.

**JEA:** JEA is a municipal electric utility governed by a Board of Directors consisting of seven Members, who set policies consistent with the best interests of JEA's customers and community. JEA is an electric utility within the meaning of Section 366.02(2), Florida Statutes ("F.S."), and is subject to the Florida Energy Efficiency Conservation Act ("FEECA").

In developing its proposed goals, JEA retained Resource Innovations to independently analyze the Technical Potential ("TP") for demand-side management ("DSM") measures across JEA's residential, commercial, and industrial retail customer classes. JEA also retained Resource Innovations to conduct an economic analysis of DSM measures, designed to determine which DSM measures are cost-effective from different test perspectives and to develop estimates of potential peak demand and energy reductions if these measures were adopted in JEA's service territory. In addition, JEA worked collaboratively with

Resource Innovations on the DSM program development process to develop potential peak demand and energy reductions under three scenarios: (1) potential DSM programs that contribute to proposed DSM goals (Proposed Goals scenario); (2) potential DSM programs that pass the Participant and Rate Impact Measure Tests (“RIM-scenario”); and (3) potential DSM programs that pass the Participant and Total Resource Cost Tests (“TRC-scenario”).

As discussed in the pre-filed testimony of Brian Pippin and Jim Herndon, the cost-effectiveness analysis of DSM programs shows that only one residential program (Home Efficiency Upgrades) is cost-effective under the RIM and Participant Tests combined, and no commercial/industrial programs (other than demand response which, as discussed in Mr. Pippin’s testimony, is not included in JEA’s proposed goals) pass the RIM and Participant Tests combined. Accordingly, consistent with the approach previously approved by the Commission, JEA is proposing numeric conservation goals based on DSM programs that JEA currently offers with some modifications. The net effect is an increase in JEA’s residential goals and a tripling of JEA’s commercial goals going forward. This goal-setting approach is consistent with the Commission’s well-established policy that, for FEECA municipal utilities such as JEA, “it is appropriate to defer to municipal utilities’ governing bodies to determine the level of investment if measures are not cost-effective.” Order No. PSC-2020-0200-PAA-EG, p.5 (June 24, 2020) (citing Order No. PSC- 2015-0324-PAA (Aug. 11, 2015)).

The Commission should reject Florida Rising’s proposal that the Commission order JEA to expand its low-income Neighborhood Energy Efficiency (“NEE”) Program by 500%. Florida Rising’s proposed 5-fold increase is an arbitrary figure that is not supported by any analysis of achievability or cost-effectiveness as required by Commission rules. Furthermore, the analyses performed by Resource Innovations show that residential conservation measures of the type included in JEA’s NEE Program do not pass the RIM test, and the NEE Program, as a whole, does not pass the RIM test, meaning that the NEE Program puts upward pressure (i.e., increases) JEA’s rates to its customer. Thus, imposition of Florida Rising’s proposal would be inconsistent with the Commission’s long-standing policy regarding the basis of establishing numeric goals for municipal utilities under FEECA.

For all the reasons discussed above and below, and as explained in more detail in the direct and rebuttal testimony provided by its witnesses, JEA’s proposed DSM Goals should be approved. JEA’s proposed Goals comply with the requirements of Section 366.82, F.S., comply with Rule 25-17.0021, F.A.C, and are consistent with long-standing Commission policy regarding establishment of goals for municipal utilities. Accordingly, the Commission should approve JEA’s proposed goals.

**OUC:** OUC provides reliable, reasonably priced electric service to approximately 275,000 customer accounts in the City of Orlando, the City of St. Cloud, and portions of unincorporated Orange and Osceola Counties. In meeting the needs of OUC's customers and serving the overall public interest, in these Energy Conservation Goals proceedings, OUC proposes an overall FEECA energy conservation goal for 2025 that is more than three times its Commission-approved goal for 2024. Supported by the values and desires of its customers and the Orlando area community, including OUC's commitment to achieve net-zero greenhouse gas emissions by 2050, OUC's overall demand-side and supply-side energy conservation efforts achieve energy savings much greater than just those realized through OUC's FEECA DSM programs. In pursuing its broad energy goals and serving the public interest, OUC must balance the benefits of its energy efficiency programs under FEECA with the costs of those programs, particularly their impacts on customer rates. OUC's proposed goals and programs strike this balance appropriately and meet all statutory and rule requirements. The Commission should approve OUC's proposed goals as submitted, and the Commission should also approve OUC's programs designed to achieve these goals in due course.

OUC is an electric utility within the meaning of Section 366.02(2), Florida Statutes, and is subject to FEECA. OUC's electric service area covers 419 square miles and includes the City of Orlando, portions of unincorporated Orange County, and portions of unincorporated Osceola County. Additionally, pursuant to an Interlocal Agreement, OUC serves the entire electric service requirements of St. Cloud and treats the St. Cloud load and customers as part of OUC's retail obligations for planning and energy conservation purposes.

OUC currently serves approximately 275,000 electric customer accounts, including approximately 242,000 electric residential customers, 28,000 electric commercial customers, and 5,100 electric industrial customers. Approximately 43 percent of OUC's residential customers (including those in St. Cloud) live in multi-family residences, and many of these are rental units. Additionally, a significant number of single-family residences served by OUC are renter-occupied. Approximately 33 percent of OUC's residential customers have household incomes less than \$50,000, which is approximately 1.6 times the Federal Poverty Level for a family of four as of 2024.

OUC currently offers a number of programs that promote energy conservation and summer and winter peak demand reductions. OUC continually seeks and implements supply-side efficiency measures. OUC also has extensive solar energy initiatives, including both demand-side and supply-side solar power projects, and OUC also obtains renewable electricity generated using landfill gas. OUC has committed to a goal of net-zero greenhouse gas emissions by 2050.

For these consolidated conservation goal-setting dockets, OUC joined with the other utilities subject to FEECA – Florida Power & Light, Duke Energy Florida, Tampa Electric Company, Florida Public Utilities Company, and JEA – to engage Resource Innovations, Inc. (“RI”), to analyze and estimate the full Technical Potential for energy conservation for all of the FEECA Utilities. OUC provided extensive load and customer forecast information, as well as system cost and avoided-cost information to support RI’s analyses. OUC also engaged RI to conduct cost-effectiveness analyses of approximately 400 potential energy conservation measures (combined in several thousand permutations of those measures) identified in the Technical Potential analyses using the Commission-prescribed Rate Impact Measure (“RIM”) test, Total Resource Cost (“TRC”) test, and the Participant Test. OUC also engaged RI to conduct cost-effectiveness analyses for a sensitivity case considering potential costs of complying with future carbon emissions regulations.

OUC further engaged RI to assist with bundling conservation measures, including nearly all of those offered through OUC’s existing DSM programs, into programs based on the RIM and TRC test results and practical considerations including program costs, incentives, and projected adoption of measures by OUC’s customers. Energy and peak demand savings for these measures and programs were calculated based on projected participation rates over the 2025-2034 period, and the resulting energy and demand savings goals are those that these programs are projected to produce. OUC’s proposed energy goal for 2025 is 4,242 MWH, which is more than three times OUC’s Commission-approved energy goal of 1,370 MWH for 2024.

OUC has consistently exceeded its FEECA Goals with measures developed on OUC’s initiative. OUC will continue to develop and implement both demand-side and supply-side conservation and efficiency measures, as well as solar and other renewable energy initiatives, based on OUC’s unique characteristics, OUC’s knowledge of its system and customer base, and changing circumstances in the energy sector. OUC will pursue this course, as it has successfully done for years, to serve the State’s policies set forth in FEECA and to meet the needs and circumstances of OUC’s customers. OUC respectfully asks the Commission to approve OUC’s proposed FEECA Goals as submitted, and to approve OUC’s proposed programs in due course.

**FDACS:** Pursuant to Section 366.81, F.S., the Legislature finds and declares that it is critical to utilize the most efficient and cost-effective demand-side renewable energy systems and conservation systems in order to protect the health, prosperity, and general welfare of the State and its citizens. Reduction in, and control of, the growth rates of electric consumption and weather-sensitive peak demand are of particular importance. The goal of Florida’s energy policy should be to secure a stable, reliable and diverse supply of energy in order to meet the

demands of Florida's growing population. An all-of-the-above approach must be employed in order to meet this objective and that includes energy efficiency and conservation measures.

In establishing and setting goals to meet these mandates, the Commission should consider various policy options to achieve a least-cost strategy, employ market-based technologies, and yield greater efficiencies of electric consumption. The effects of non-utility programs that are targeted at reducing and controlling the per capita use of electricity in Florida should be considered, as well as the impact of state and local building codes and appliance efficiency standards. These factors may increase energy efficiency and reduce or control the per capita use of electricity in the State, and thus reduce the level of appropriate goals and need for utility-sponsored programs. The Commission should balance the importance of pursuing energy efficiency and conservation programs against the cost of the programs and their impact on all ratepayers.

**FIPUG:** Duke Energy Florida, LLC ("DEF") provides demand credit rates for interruptible service, curtailable service, stand-by generation, or similar potential demand response programs to many customers, including FIPUG members. Utilities such as DEF avoid having to build additional peaking generating units by having these customers agree to be interrupted or curtailed when the utility in question experiences peak load conditions on its system. In exchange for the customers' agreement to have its power interrupted or curtailed, these customers receive certain demand credit rates. The demand credit rates for interruptible service, curtailable service, stand-by generation or similar potential demand response programs should be addressed in the base rate proceedings for DEF and the rate regulated FEECA Utilities.

The reasons to address these credits in base rate cases rather than the goals docket are: 1). This Commission and recent Commissions have adjusted demand credit rates in base rate cases. 2). Base rate proceedings often result in settlement agreements, in which credit adjustments are part and parcel of a negotiated outcome, which must pass a public interest test. 3) Setting these demand credit rates set in base rate cases provides clear and unambiguous notice that the proper venue in which to consider this issue is a respective utility's base rate case. 4) Clearly adopting the Commission's past practice of establishing demand credit rates for interruptible service, curtailable service, stand-by generation or similar potential demand response programs filing testimony in a utility's base rate case is more efficient in that affected intervenors will not have to file testimony in two dockets, namely the company's goals docket and the company's base rate case docket. Should these credits be addressed in the goals docket for DEF, the appropriate credit sum for interruptible and curtailable service should be increased as supported by the testimony of FIPUG witness Jeff Pollock.

**FL Rising/  
ECOSWF/  
LULAC:**

By passing the Florida Energy Efficiency and Conservation Act (“Energy Efficiency Act”), the Florida legislature has recognized the importance of curbing electricity consumption, increasing energy efficiency, and promoting demand-side renewable energy to securing the economic future and health of Florida’s citizens. To meet these objectives, the Energy Efficiency Act allocates responsibility to the Florida Public Service Commission (“Commission”) to oversee the actions of Florida’s major utilities. A major element of this responsibility involves the Commission’s oversight over the utilities’ conservation goals to ensure that the utilities meaningfully integrate lower cost and lower risk demand-side energy efficiency and renewable resources into Florida’s energy resource portfolio. Florida Rising, ECOSWF, and LULAC have intervened to advocate for utility conservation goals that prioritize investment in cost-effective efficient sources of energy and address the needs of low-income communities that predominantly bear the burden of high energy costs.

While Florida Power & Light Co. (“FPL”), Duke Energy Florida (“DEF”), JEA, Orlando Utilities Commission (“OUC”) and Tampa Electric Company (“TECO”) (collectively, “the utilities”) have taken strides towards recognizing the importance of addressing low-income communities’ energy burden compared to the 2019 proceedings, their initial proposals still fail to adequately reflect the needs of Floridians. By continuing to largely rely on analytical tests that understate the value of energy efficiency, low projections for program participation, and methodology that does not reflect the lived experiences of Floridians, utilities propose setting unambitious goals resulting in some of the worst energy efficiency performance in the nation.

First, the utilities’ use of “bill comparisons” for energy efficiency goal-setting purposes premised on 1,000 kWh of usage rather than actual usage is misleading and makes energy efficiency appear more costly than what people actually pay. These deceptive comparisons understate the actual benefits of energy efficiency while inflating the perceived costs, and when used to set energy efficiency goals, that cost inflation is reflected in inadequate and weak proposed goals. Second, while the utilities took a step back from relying entirely on the RIM and two-year payback screen to evaluate the costs and benefits of potential programs and measures, the two-year payback screen remains a crude and misleading instrument that improperly eliminates a huge portion of cost-effective DSM from consideration under the unsupported and indefensible assumptions that regular people know the payback period for every efficiency measure, and, that those same people have both the resolve and the cash on hand to install all such measures. Without any factual basis for either of these premises in the record, it is patently unreasonable to assume a DSM program with a sub-two-year payback period will be plagued by free-ridership. Moreover, flaws in weighing the costs



and benefits of potential energy efficiency measures artificially constrain the energy efficiency potential of utilities and compound on top of rising housing costs and stagnant wages, subjecting residential and low income households to exponentially increasing energy burdens while utility companies continue to report record profits on the backs of Floridians.

The utilities understate their proposed goals for residential program participation despite having shown that higher levels of participation are achievable. Many of the utilities had higher program participation prior to scaling back energy efficiency programs in 2014. Because of these historical levels of participation, the utilities should set projected participation at levels much higher than they currently propose. This understatement of participation levels in many of the residential programs and measures tips the cost-benefit analysis of the programs to make them appear more costly than the benefits they reap. The proposed MW and GWh goals could be much stronger with less conservative estimates of participation. The stipulations entered into the DEF docket have resolved these issues in that docket.

The limited energy efficiency measures offered by the utilities also remain unfairly distributed, with residential customers paying more into programs that predominantly result in savings and benefits for industrial and commercial customers. Most energy efficiency funding is spent on bill credits for commercial interruptible and curtailable service programs despite these entities receiving little to no interruption. As Mr. Marcelin testifies, almost half of FPL's energy conservation spending goes to its curtailable or interruptible commercial customers although they have never been interrupted in recent history and FPL has no plans to interrupt them in the future. And that unequal distribution remains present across most of the utilities with commercial and industrial customers receiving more than 50% of the energy savings shares through FPL, TECO, JEA, and OUC in 2023. With this imbalance in energy savings and lack of interruption in the curtailable and interruptible service programs, residential customers pay into programs that they reap no actual benefits from.

The Commission should set meaningful goals that require the utilities to invest in and deliver energy efficiency while ensuring its programs are distributed to provide energy-savings benefits not only to commercial and industrial customers, but to the residential customers that overwhelmingly pay into the costs of the programs. The Commission should approve the stipulations entered into in the DEF docket that are joined by Florida Rising and LULAC. Well-run residential programs that encourage widespread participation will result in cost-effective benefits for both customers and utilities. Aggressive investment in energy efficiency programs is essential to pull Florida from one of the lowest performing and most costly states in the nation to a leader in providing affordable and efficient energy to its residents.

**Nucor:** Consistent with the 2024 Settlement Agreement filed in Docket No. 20240025-EI, and the Joint Notice of Necessary Stipulations filed in this docket on July 15, 2024, Nucor has entered into Stipulations on issues 8b and 12. Further, assuming the Commission approves the Stipulations on issues 8b and 12, Nucor is willing to enter into Type 2 stipulations on issues 2 through 5. If the Commission does not approve the Stipulations on issues 8b and 12, then Nucor reserves the right to contest these issues as noted in the Statement on Specific Issues below.

On Issue 8a, Nucor's position is that the issue is moot assuming the Stipulation on 8b is approved since this stipulation approves the level of credits for the Interruptible General Service ("IS") and Curtailable General Service ("CS") programs going forward. Nevertheless, to the extent the Commission decides that it needs to address the issue of where the credits should be decided as a policy matter, Nucor's position is that the level of the IS and CS credits should be addressed in a base rate case proceeding instead of in a DSM goals proceeding.

## **PCS**

**Phosphate:** In this proceeding, consistent with the requirements of the Florida Energy Efficiency and Conservation Act ("FEECA"), DEF proposes to set its DSM goals for the period 2025-2034 based on a portfolio of DSM programs that it determined to be cost effective based on assessments using the Rate Impact Measure ("RIM"), Total Resource Cost ("TRC"), and Participant Cost Tests ("PCT"). DEF's recommended portfolio of programs is based primarily on RIM test results; but DEF also recommends some measures passing the TRC test, and it proposes to implement some additional low-income measures that do not meet any of the cost-effectiveness tests that it conducted but which Duke nonetheless considered appropriate to include. DEF mentioned in passing that it would be proposing changes to the existing Interruptible General Service ("IS") and Curtailable General Service ("CS") program credits, but the proposed changes to IS and CS programs actually appear in DEF's pending general base rate case (Docket No. 20240025-EI).

PCS supports the consideration of both the RIM and TRC tests in setting the DEF's DSM goals and notes that the TRC better reflects the ongoing system benefit provided by existing demand response participation. Also, DEF's selection of a brownfield natural gas combustion turbine ("CT") entering commercial service in 2029 as its avoided marginal generation cost unit, and its presumed costs of that unit systematically under-estimates the cost/benefit of demand response under all methods studied.

Duke's avoided marginal generation cost for its proposed avoided unit of \$735.20/kW is significantly lower than TECO's avoided generation unit as well as Duke's other potential avoided units, which range from \$949.40/kW for a greenfield CT to \$2,471/kW for solar generation with battery storage. (see

Georgis Testimony at 15-17). Applying a more representative cost for an avoided generating unit will more realistically represent the expected cost effectiveness of DEF demand response measures under both the RIM and TRC tests.

On July 15, 2024, DEF filed a proposed comprehensive base rate settlement agreement in Docket No. 20240025-EI (“2024 Settlement Agreement”) that encompasses certain questions presented in Issue #8 in this docket. Specifically, the 2024 Settlement Agreement re-sets DEF’s curtailable, interruptible and standby-generator credits and DEF commits not to propose revising those credits in its next DSM goals submission. Contemporaneously with the submission of the 2024 Settlement Agreement, DEF filed a Joint Notice of Necessary Stipulations in this docket that precisely tracks the above-noted provisions of the 2024 Settlement Agreement because consistent Commission action is required on these matters in both dockets. PCS Phosphate is a signatory and strongly supports both the 2024 Settlement Agreement and the linked and necessary stipulations in this docket. In PCS’ view, Commission adoption of the proposed stipulation of what is now Issue # 8(b) (i.e., what is the appropriate level of those credits) effectively resolves PCS concerns regarding Issues 2-5, and PCS would conditionally support “Type 2” stipulations of those issues. Pending such Commission approval, however, PCS must reserve its otherwise stated positions on those questions.

Finally, as to Issue # 8(a), in light of the DEF stipulation in Issue # 8(b) and the fact that neither FPL nor TECO propose revising their curtailable/ interruptible service programs or credits when setting their goals in this docket, Issue # 8(a) is effectively moot and the Commission does not need to address it. More broadly, the Commission should refrain from setting or adjusting demand charge credits for CS and IS service in the DSM goals proceeding. DEF’s demand response programs for residential, commercial and industrial customers specify rates, terms and conditions for participation that are incorporated in its base rate tariffs. Consequently, any changes to those rates, terms and conditions should be addressed in DEF base rate proceedings. The Commission should clarify that all tariff-based changes should be addressed in base rate cases.

**SACE:** As recognized by the Florida legislature, reducing the rate of electricity consumption, increasing the overall efficiency and cost-effectiveness of electricity use, and encouraging further development of demand-side renewable energy systems are critical to Florida’s economic future and the health of its citizens. The conservation goal setting process laid out by the legislature in the Florida Energy Efficiency and Conservation Act (“FEECA”) provides a framework for the Florida Public Service Commission to play a critical role in meeting these objectives by setting goals that meaningfully integrate lower cost and lower risk demand-side energy efficiency and renewable resources into Florida’s energy resource portfolio. SACE has intervened to help the Commission set goals that maximize utility investment in cost-effective energy efficiency, the cleanest and

cheapest resource to meet Floridians' power needs, and support improved valuation and increased development of demand-side renewable energy systems.

The Technical Potential Study conducted by Resource Innovations for all FEECA utilities identifies huge potential for energy and demand savings in Florida with available and proven technologies. However, neither the proposed annual nor 10-year goals will achieve even the tiniest percentage of Florida's annual retail sales of electricity. Thus, adoption of the proposed DSM goals would constitute a significant missed opportunity to reduce costs for ratepayers, strengthen the grid, and eliminate waste.

While improved from the 2019 proceedings which resulted in "zero goals," utilities continue to propose unreasonably low savings goals. Despite a less rigorous application of it, the utilities continue to rely on the Rate Impact Measure ("RIM") cost effectiveness test in establishing their proposed goals. The RIM test should not be used to screen efficiency measures. Ratepayer impacts are important to consider; however, the RIM test does not accurately calculate them. The Total Resource Cost test more accurately depicts the costs and benefits of energy efficiency for consumers in Florida. Florida should eliminate its use of the RIM test.

The utilities justify their unreasonably low savings goals by asserting that they are avoiding cross subsidization. However, a concern about cross subsidies is not a sufficient reason to underinvest in cost effective energy efficiency. First, the system-wide benefits of energy efficiency, including lower overall cost, accrue to all customers, not just participating customers. Second, unlike with supply-side resources, cross-subsidies in the efficiency context can be mitigated by increasing participation rates, i.e. by turning non-participants into participants. This can be done by offering well-designed, comprehensive programs that target each customer sector, including hard-to-reach customers, such as low-income residential households. Finally, the utilities ignore the fact that cross-subsidization occurs on the supply-side of the energy picture. For example, customers who live near power plants do not benefit from lower electricity costs as compared to their counterparts who live further away from the plants, even though it costs the utility less to deliver electricity from the plants to their homes than to more distant homes.

The utilities further suppress the adoption of cost-effective measures when they apply a two-year payback screen to account for "free ridership." The utilities blindly apply this screen across all measures without any data or information to support that the measures are in fact being adopted by customers. The Commission should direct the utilities to utilize best practices from other jurisdictions that are less restrictive than the two-year payback screen.

The Commission should set meaningful goals that require the FEECA utilities to aggressively and broadly invest in and deliver energy efficiency. Comprehensive, well-run programs will allow all customers to save energy, lower their electricity bills and allow utilities to lower their overall system cost and risk.

**Walmart:** Walmart has ambitious and significant company-wide renewable energy goals as set forth in the Direct Testimony of Steve W. Chriss filed in the Consolidated Dockets on June 5, 2024. In general, these renewable energy goals are met through a combination of self-funded initiatives and projects and participation in relevant utility-led DSM, energy efficiency ("EE") and renewable energy programs, as well as through third-party contracts such as power purchase agreements ("PPAs"). Walmart is participating in the Consolidated Dockets to both inform the Commission of its current company-wide renewable energy goals, and to provide recommendations to assist the Commission in its through and careful consideration of the customer impacts of each Utility's requests in the Consolidated Dockets.

In light of the number of facilities in each Utility's respective service territory, Walmart is focused on the proposals put forth by FPL, DEF, and TECO as those proposals pertain to C&I customers, having no opinion on proposed goals or programs for residential customers. Walmart takes no position as to the as-filed, proposed goals of FPL and TECO, and does not oppose the C&I programs of either FPL or TECO. In DEF's Docket, Walmart's position on Issues 8(b) and 12 are as stipulated in the Joint Notice of Necessary Stipulations to Issues 8(b) and 12 by DEF, FIPUG, Nucor, PCS Phosphate, Walmart, Florida Rising, and LULAC filed on July 15, 2024. Otherwise, Walmart takes no position on DEF's goals for its C&I customers and otherwise does not oppose DEF's C&I programs.

**STAFF:** Staff's positions are preliminary and based on materials filed by the parties and on discovery. The preliminary positions are offered to assist the parties in preparing for the hearing. Staff's final positions will be based upon all the evidence in the record and may differ from the preliminary positions.

### **VIII. ISSUES AND POSITIONS**

For party positions in the FPUC docket (20240015-EG), see the proposed Type II stipulations in Section X of this prehearing order.

**ISSUE 1:** **Are the utility's proposed goals based on an adequate assessment of the full technical potential of all available demand-side and supply-side conservation and efficiency measures, including demand-side renewable energy systems?**

- FPL:** Yes. An outside consultant, Resource Innovations, Inc., performed the Technical Potential Study for each of the FEECA Utilities. The analysis required extensive iterative work and continuous collaboration to ensure that it was comprehensive and resulted in a thorough and wide-ranging reassessment of conservation and efficiency measures. (Herndon)
- DEF:** Yes. DEF's technical potential, that is the basis for the updated proposed Recommended goals, includes an evaluation of all potential demand-side conservation and efficiency measures and demand-side renewable energy systems. Demand-side renewable energy systems were evaluated based on the same cost effectiveness standards that were used to evaluate other energy efficiency measures. No renewable measures were found to be cost-effective and therefore, none are included in the proposed goals. (Duff, Herndon).
- TECO:** Yes. Tampa Electric worked in concert with the other FEECA utilities and Resource Innovations to develop a new Technical Potential Study. This new Technical Potential Study for Tampa Electric was based upon the full load forecast for the company, which ensures the proposed goals are based on an adequate assessment of the full technical potential of all available demand-side and efficiency measures, including demand-side renewable energy systems, pursuant to Section 366.82(3), F.S. (Roche)
- JEA:** Yes. JEA's proposed goals are based on an adequate assessment of the full technical potential of all available demand-side and supply-side conservation and efficiency measures, including demand-side renewable energy systems, pursuant to Section 366.82(3), F.S. Consistent with the other FEECA utilities, JEA engaged Resource Innovations to evaluate DSM measures in JEA's service territory. Resource Innovations analyzed the technical potential for energy efficiency, demand response, and demand side renewable energy across residential, commercial, and industrial customer classes for the 2020-2029 time- period. For JEA, Resourced Innovations also conducted the economic screening for the economic and achievable scenarios and analyzed economic potential and achievable potential based on the passing measures. (Pippin, Kushner, Herndon)
- OUC:** Yes. OUC's proposed goals are based on a thorough and robust assessment of the full technical potential of all available demand-side and supply-side conservation and efficiency measures, including demand-side renewable energy resources. (Noonan, Herndon)
- FDACS:** The utilities' proposed goals appear to be an adequate assessment of the full technical potential of all available demand-side and supply-side conservation and efficiency measures. However, a thorough examination and analysis of this issue by the Commission is necessary.

**FIPUG:** No position.

**FL Rising/  
ECOSWF/**

**LULAC:** No. (Marcelin)

**Nucor:** No position.

**PCS**

**Phosphate:** No position.

**SACE:** No.

**Walmart:** Walmart takes no position.

**STAFF:** No position.

**ISSUE 2:** **Are the utility's proposed goals based on savings reasonably achievable through demand-side management programs over a ten year period?**

**FPL:** Yes. FPL's proposed DSM Goals include the following RIM- and TRC- passing programs:

**Residential Sector:**

1. Residential HVAC
2. Residential Ceiling Insulation
3. Residential Low Income
  - a. Renter Pilot
4. Residential New Construction (BuildSmart<sup>®</sup>)
5. Residential Load Management (On Call<sup>®</sup>) with new HVAC on-bill option

**Commercial/Industrial Sector:**

1. Business HVAC
2. Business Lighting
3. Commercial/Industrial Demand Reduction
4. Business Custom Incentive
5. Business On Call<sup>®</sup>

This proposal of RIM- and TRC-passing programs will allow FPL to continue delivering meaningful energy-efficiency savings options to all customers including owners, renters, and low-income customers. The proposed goals factor in adjustments in participation levels to reflect market conditions and adjustments in projections based on the 2024 Technical Potential Study measure impacts. (Floyd)

- DEF:** Yes. DEF's updated proposed Recommended goals were developed through a well-tested data-driven process consistent with Florida statute and Commission rules that appropriately considers market conditions and customer adoption curves to yield reasonably achievable goals over the 2025-2034 period. (Duff, Herndon).
- TECO:** Yes. Tampa Electric used appropriate data to develop the proposed goals over the ten-year period as required by Rule 25-17.0021, F.A.C. For the summer and winter kW and annual energy (kWh) savings, the company used consistent sources for this data as in prior DSM goals setting proceedings. These sources consisted of either the Technical Potential Study, Historical Data, or the company's Load Research Data. To project reasonably achievable participation, Tampa Electric used factors such as recent participation, overall program participation to evaluate saturation, changes in proposed incentive levels, changes in equipment incremental cost, any major changes or shifts in technology, current economic conditions, existing program or new, changes in building codes, adoption models, and Bass curves. (Roche)
- JEA:** Yes. JEA's proposed goals are based on savings reasonably achievable through demand-side management programs over a ten-year period. The proposed goals are based on programs already implemented by JEA and the projected market adoption forecasts collaboratively developed for the proposed programs by Resource Innovations and JEA. (Pippin, Herndon)
- OUC:** Yes. OUC's proposed goals are based on savings reasonably achievable through OUC's proposed DSM programs over the period 2025 through 2034. The proposed goals are based on a sound assessment of the basic economic potential of the measures incorporated into OUC's proposed programs, program administrative costs and incentives, and analyses of customer adoption and participation in the programs. (Noonan)
- FDACS:** The utilities' proposed goals appear to be based on savings reasonably achievable through demand-side management programs over a ten-year period. However, a thorough examination and analysis of this issue by the Commission is necessary.
- FIPUG:** Yes.
- FL Rising/  
ECOSWF/  
LULAC:** No. The utilities continue to discount potentially cost-effective conservation and efficiency measures by overstating the costs of certain measures while understating potential participation and benefits reaped from those measures. The proposed goals underestimate the potential for more aggressive and widespread



goals on the residential demand side that could be met over that ten year period.  
(Marcelin)

**Nucor:** Nucor is willing to enter into a Type 2 stipulation on this issue such that Nucor does not oppose DEF's position. However, if the Commission does not approve issues 8b and 12 as agreed to in the 2024 Settlement Agreement filed in Docket No. 20240025-EI, Nucor reserves the right to take the following position: No.

**PCS**

**Phosphate:** No, but, subject to Commission approval of the proposed stipulation of Issue # 8(b), PCS is conditionally willing to stipulate this issue.

**SACE:** Adopts the position of Florida Rising.

**Walmart:** Walmart takes no position.

**STAFF:** No position.

**ISSUE 3: Do the utility's proposed goals adequately reflect the costs and benefits to customers participating?**

**FPL:** Yes. Consistent with Rule 25-17.0021(3), Florida Administrative Code, FPL's proposed DSM Goals were developed using both the Participant and RIM cost-effectiveness tests scenario and the Participant and TRC cost-effectiveness tests scenario. The intent of the Participant test is to measure the cost-effectiveness of a DSM measure from the participating customer's perspective. This test reflects the costs and benefits to participating customers. The intent of the TRC test is to measure the cost of a DSM measure to both the utility and its customers, without consideration of the impact to rates. Specifically, the TRC test only considers the incremental cost of the measure (equipment) and the administrative cost of implementing the program. (Floyd, Whitley)

**DEF:** Yes. The DEF's updated proposed Recommended goals are based on measures that pass the Participant Cost Test. This test compares the incremental cost to participants to the participant benefits (bill savings). This ensures that the measures provide net benefits to participants. (Duff)

**TECO:** Yes. Tampa Electric utilized the Participant Cost Test ("PCT"), as delineated in Rule 25-17.008, F.A.C., to adequately reflect the costs and benefits to customers participating in a DSM measure thereby adhering to the requirement of Section 366.82(3)(a), F.S. (Roche)

- JEA:** Yes. JEA's proposed goals adequately reflect the costs and benefits to customers participating in the measure, pursuant to Section 366.82(3)(a), F.S. JEA's proposed goals are based on forecasts of achievable potential that are driven primarily by measure-level assessments of cost-effectiveness to customers. Specifically, customer cost-effectiveness is assessed using the Participant Test, where benefits are calculated based on customer bill savings and costs are based on participant costs of acquiring and installing the energy efficiency measure (net of utility program incentives). Both the participant benefits and participant costs are assessed on present value basis over the life of the measure. (Pippin, Kushner, Herndon)
- OUC:** Yes. OUC's proposed goals are based on a full consideration of the results of Participant Cost Test analyses performed by Resource Innovations, and those analyses adequately and appropriately reflect the costs and benefits to customers who might participate in the DSM measures and programs analyzed. Thus, OUC's proposed goals adequately reflect the costs and benefits to participating customers. (Herndon, Kushner, Noonan)
- FDACS:** The utilities' proposed goals appear to adequately reflect the costs and benefits to customers participating in the measures. However, a thorough examination and analysis of this issue by the Commission is necessary. The Commission should consider policy options that can be implemented to achieve least-cost strategies that take into account the costs and benefits of the programs and their impact on all ratepayers.
- FIPUG:** Yes, for the most part, except the credit rates for interruptible service, curtailable service, stand-by generation, or similar potential demand response programs for Duke Energy Florida, Inc. should be increased in the DEF pending base rate case.
- FL Rising/  
ECOSWF/  
LULAC:** No. The proposed goals overstate the costs and understate the benefits of certain measures by using an arbitrary two-year screen and misleading methodology that makes energy efficiency measures appear more costly than they are in practice. (Marcelin)
- Nucor:** Nucor is willing to enter into a Type 2 stipulation on this issue such that Nucor does not oppose DEF's position. However, if the Commission does not approve issues 8b and 12 as agreed to in the 2024 Settlement Agreement filed in Docket No. 20240025-EI, Nucor reserves the right to take the following position: No. DEF's cost-effectiveness tests systematically understate the value of the CS and IS programs. Further, DEF's chosen avoided cost generating unit (a brownfield combustion turbine), does not reflect actual planned additions and retirements and

therefore understates the value of DEF's proposed DSM programs. Nucor takes no position regarding the other utilities.

**PCS**

**Phosphate:** No, but, subject to Commission approval of the proposed stipulation of Issue # 8(b), PCS is conditionally willing to stipulate this issue.

**SACE:** No.

**Walmart:** Walmart takes no position as to any of the utility's positions except for DEF's litigation position, which has now been resolved pursuant to the Stipulation referenced in Section VII. below.

**STAFF:** No position.

**ISSUE 4: Do the utility's proposed goals adequately reflect the costs and benefits to the general body of rate payers as a whole, including utility incentives and participant contributions?**

**FPL:** Yes. Consistent with Rule 25-17.0021(3), Florida Administrative Code, FPL's proposed DSM Goals were developed using both the Participant and RIM cost-effectiveness tests scenario and the Participant and TRC cost-effectiveness tests scenario. The intent of the TRC test is to measure the cost-effectiveness of a DSM measure to both the utility and its customers, without consideration of the impact to rates. The RIM test includes consideration of the cost of incentives paid to participating customers, the revenue impact on the general body of ratepayers resulting from the DSM program, and the cost of implementing the program itself (administrative cost). (Floyd, Whitley)

**DEF:** Yes. DEF's updated proposed Recommended goals do adequately reflect the costs and benefits to the general body of ratepayers, as a whole, because the goals are based on measures that pass both the RIM and Participant tests. The Participant, TRC and RIM tests, in combination with each other, effectively ensure that both participants and non-participants benefit. (Duff)

**TECO:** Yes. Tampa Electric utilized the cost-effectiveness methodologies, as delineated in Rule 25-17.008, F.A.C., to adequately reflect the costs and benefits to the general body of ratepayers as a whole, including utility incentives and participant contributions. (Roche)

**JEA:** Yes. JEA's proposed goals are based on market adoption forecasts that included consideration of the costs and benefits to the general body of ratepayers as a

whole, including utility incentives and participant contributions, through use of the RIM and Participant tests. (Pippin, Kushner, Herndon)

**OUC:** Yes. OUC's proposed goals adequately and appropriately reflect the costs and benefits of potential customer-funded DSM measures to the general body of OUC's ratepayers considered as a whole, including consideration of utility incentives and participant contributions. The costs and benefits to OUC's general body of customers are fully reflected in RI's RIM Test analyses. (Herndon, Noonan)

**FDACS:** The utilities' proposed goals appear to adequately reflect the costs and benefits to the general body of rate payers as a whole, including utility incentives and participant contributions. However, a thorough examination and analysis of this issue by the Commission is necessary. The Commission should consider policy options that can be implemented to achieve least-cost strategies that take into account the costs and benefits of the programs and their impact on all ratepayers.

**FIPUG:** Adopts position of PCS Phosphate.

**FL Rising/  
ECOSWF/  
LULAC:**

No. The utilities' proposed goals falsely inflate the benefits of the curtailable and interruptible service programs while attempting to diminish the costs that the programs impose on the general body of ratepayers. Further, cost-effective programs for low-income households continue to be screened out by the use of the RIM test. (Marcelin)

**Nucor:** Nucor is willing to enter into a Type 2 stipulation on this issue such that Nucor does not oppose DEF's position. However, if the Commission does not approve issues 8b and 12 as agreed to in the 2024 Settlement Agreement filed in Docket No. 20240025-EI, Nucor reserves the right to take the following position: No. DEF's cost-effectiveness tests systematically understate the value of the CS and IS programs. Further, DEF's chosen avoided cost generating unit (a brownfield combustion turbine), does not reflect actual planned additions and retirements and therefore understates the value of DEF's proposed DSM programs. Nucor takes no position regarding the other utilities.

**PCS**

**Phosphate:** No. DEF's proposed goals are based on a cost-effectiveness test reflecting an assumed avoided 2029 brownfield CT. It is more appropriate to use a greenfield CT to evaluate avoided marginal generation costs. To the extent that DEF's goals and proposed utility incentives would change under such an assumption, DEF's current proposed goals are not reasonable and do not reflect the costs to

ratepayers as a whole. However, subject to Commission approval of the proposed stipulation of Issue # 8(b), PCS is conditionally willing to stipulate this issue.

**SACE:** No. Although proposals in these dockets rely less rigorously on the Rate Impact Measure (“RIM”) Test than in past dockets, application of the RIM Test nevertheless resulted in utilities ruling out most DSM measures, which has the effect of precluding investments that would quickly reduce electric bills for customers who participate in DSM programs, and that would ultimately reduce electric bills for non-participating customers through cost savings across the electric system. Notwithstanding the long practice of the Commission and FEECA utilities, the use of the RIM Test is contrary to Section 366.82(3)(b), F.S., because the RIM Test does not reflect “costs and benefits to the general body of ratepayers as a whole, including utility incentives and participant contributions.” The RIM Test focuses exclusively on rates. It excludes both the participants’ contributions and the participants’ benefits, which come in the form of reduced energy expenditures and lower energy bills. Because the Total Resource Cost (“TRC”) Test better satisfies this legislative mandate, the Commission should require an expansion of its use.

**Walmart:** Walmart takes no position as to any of the utility's positions except for DEF's litigation position, which has now been resolved pursuant to the Stipulation referenced in Section VII. below.

**STAFF:** No position.

**ISSUE 5:** **Do the utility’s proposed goals adequately reflect the need for incentives to promote both customer-owned and utility-owned energy efficiency and demand side renewable energy systems?**

**FPL:** Yes. Cost-effective incentives for participating customers are reflected in FPL’s proposed DSM Goals because they are included and considered in the Participant and RIM screening tests and the Participant and TRC screening tests required by Rule 25- 17.0021(3), Florida Administrative Code. There is no need to establish incentives for utilities in this proceeding. (Floyd, Whitley)

**DEF:** Yes, the utility’s updated proposed Recommended goals adequately reflect the need for incentives to promote both customer-owned and utility-owned energy efficiency systems. DEF does not believe there is currently a need for incentives to promote demand-side renewable energy systems as the demand-side renewable market has continued to mature and there has been significant growth in customer sited demand-side renewable energy systems. Florida currently ranks among the top ten states based on the cumulative amount of solar electric capacity installed. The cost to install solar has dropped significantly in recent years, and with that,

DEF is seeing continued growth in the number of customers installing demand-side renewable systems on their own, without incentives from the utility. (Duff)

**TECO:** Yes. For measures that remained cost-effective after taking into account administrative costs but with no incentives, and after the two-year payback screen, Tampa Electric designed the proposed DSM programs that would maximize the proposed DSM goal amounts. Demand side renewable systems proved to remain non-cost effective. In addition, Tampa Electric does not believe incentives for demand side renewable systems are necessary due to the large amount of naturally occurring installations of these systems. (Roche)

**JEA:** Yes. JEA has comprehensively analyzed customer-owned energy efficiency measures and only one program was found to be cost-effective. JEA's load forecast reflects the impacts of net metering associated with customer-owned rooftop solar photovoltaic ("PV") systems, and this load forecast was incorporated in the cost-effectiveness analysis performed for demand-side renewable energy ("DSRE") systems in this docket, which found no DSRE measures were cost-effective under the RIM Test. JEA also reviewed current FEECA programs and evaluated updates to incentives for these programs. As such, incentives to promote customer-owned energy efficiency and DSRE systems are adequately reflected in JEA's proposed goals. Utility-owned energy efficiency and renewable energy systems are supply-side issues. (Pippin, Kushner, Herndon)

**OUC:** Yes. OUC's proposed goals adequately reflect the need for incentives to promote both customer-owned and utility-owned energy efficiency and demand-side renewable energy systems. (Herndon, Noonan)

**FDACS:** In determining whether the proposed goals reflect the need for incentives to promote both customer-owned and utility-owned energy efficiency and demand-side renewable energy systems, the Commission should examine and consider the impact of state and local building codes and appliance efficiency standards on the need for utility-sponsored measures and programs. The Commission should consider policy options that can be implemented to achieve least-cost strategies that take into account the costs and benefits of the programs and their impact on all ratepayers.

**FIPUG:** No position.

**FL Rising/  
ECOSWF/  
LULAC:**

No. The continued use of the arbitrary two-year payback screen artificially limits available energy efficiency measures, especially for low-income communities. (Marcelin)

**Nucor:** Nucor is willing to enter into a Type 2 stipulation on this issue such that Nucor does not oppose DEF's position. However, if the Commission does not approve issues 8b and 12 as agreed to in the 2024 Settlement Agreement filed in Docket No. 20240025-EI, Nucor reserves the right to take the following position: DEF's proposed CS and IS credits do not adequately incentivize continued or additional participation in the CS and IS programs. Nucor takes no position regarding the other utilities.

**PCS**

**Phosphate:** No, but, subject to Commission approval of the proposed stipulation of Issue # 8(b), PCS is conditionally willing to stipulate this issue.

**SACE:** No. The utilities' analyses to arrive at their proposed goals over-rely on the RIM Test and arbitrarily apply a two-year payback screen to address "free-ridership" even though a shorter payback timeframe might be necessary to appropriately incentivize consumer adoption of energy efficiency measures.

**Walmart:** Walmart takes no position.

**STAFF:** No position.

**ISSUE 6: Do the utility's proposed goals adequately reflect the costs imposed by state and federal regulations on the emissions of greenhouse gases?**

**FPL:** Yes. Consistent with the direction provided in the Order Establishing Procedure for this docket (Order No. PSC-2024-0022-PCO-EG), FPL did not account for projected CO<sub>2</sub> compliance costs in these screening tests. Rather, because FPL considers CO<sub>2</sub> compliance costs in all of its other resource planning analyses, FPL analyzed the impact of projected CO<sub>2</sub> compliance costs in a sensitivity screening analysis, which are reflected in Exhibit AWW-3. (Whitley)

**DEF:** Yes. Given the uncertainty of future carbon regulation, it is reasonable to exclude the cost of carbon emissions in this goal setting process. (Duff)

**TECO:** Yes. Currently, there are no state or federal regulations on the emissions of greenhouse gases nor is there any time horizon established on which any such regulation may be enacted. Therefore, the appropriate greenhouse gas emissions cost utilized by Tampa Electric in the determination of its proposed DSM goals was zero. (Roche)

**JEA:** Yes. At the time JEA's proposed goals were filed in this docket, there were no existing or pending regulations that would impose costs for the emissions of greenhouse gases ("CO<sub>2</sub>"). The U.S. Environmental Protection Agency ("EPA")

has since adopted rules that will potentially limit or otherwise affect the operation of some new and existing generating units, but do not assess a direct cost of emissions of CO<sub>2</sub>. Furthermore, the new regulations do not apply within the planning period for this FEECA goal-setting proceeding. JEA performed a sensitivity analysis that considered a 25% increase to the avoided energy costs, which may be viewed as a proxy for the potential impact of costs associated with possible future regulations of CO<sub>2</sub> emissions.

**OUC:** Yes. Even though at this time there are no costs imposed by either state or federal regulations on emissions of greenhouse gases, OUC engaged RI to conduct a sensitivity analysis of the potential costs of future greenhouse gas regulations on the cost-effectiveness of potential energy efficiency program, and OUC considered these results in developing its proposed goals and FEECA programs. (Herndon, Kushner)

**FDACS:** The utilities' proposed goals appear to adequately reflect the costs imposed by state and federal regulations currently in existence, on the emission of greenhouse gases over the past five years.

**FIPUG:** No position.

**FL Rising/  
ECOSWF/  
LULAC:**

No. Nothing pertinent to this question has changed since March 25, 2024, when the Commission, in Order No. PSC-2024-0078-FOF-EI, based key cost-effectiveness findings on imminent high carbon-costs taking effect in less than 18 months (January of 2026). Either the Commission was wrong then, or those same carbon costs should be reflected in this proceeding.

**Nucor:** No position.

**PCS**

**Phosphate:** No position.

**SACE:** No.

**Walmart:** Walmart takes no position.

**STAFF:** No position.

**ISSUE 7:** **Do the utility's proposed goals appropriately reflect consideration of free riders?**



- FPL:** Yes. FPL’s proposed Goals reflect consideration of free riders, as required by Rule 25-17.0021(3), Florida Administrative Code. FPL utilized the two-year payback screening criterion to minimize the impact of “free riders.” The two-year payback criterion is a reasonable mechanism previously approved by the Commission to screen out measures with a short payback that, by including in a DSM program, would result in unnecessary expense for all customers as these measures already have a reasonable economic payback. However, FPL’s proposed Low Income program does include measures with less than a two-year payback, as FPL recognizes that low-income customers may not have the financial resources to make energy-efficiency investments regardless of the payback period. (Floyd, Whitley)
- DEF:** Yes. The DEF’s updated proposed Recommend goals are based on measures that have greater than a two-year payback period. A two-year payback period is a reasonable time-period in which to limit measures and assume that customers will adopt the measures absent a utility incentive. This time-period has been recognized by the Commission in past proceedings as a reasonable proxy to eliminate free riders. (Duff, Herndon).
- TECO:** Yes. Tampa Electric utilized a longstanding Commission practice, initially approved in the 1994 DSM goals proceeding, of screening out measures having a payback period of two years or less without any incentive. This two-year payback criterion is the appropriate means to apply to consider free ridership as required by the Commission's rule. Tampa Electric also provided sensitivities of one and three-year paybacks due to considering free ridership with this method. (Roche)
- JEA:** Yes. The screening criteria were based on simple payback to the customer (2 years or less) and were designed to remove measures from the achievable potential forecasts that exhibit the key characteristic most associated with high levels of free-ridership in utility rebate programs, i.e., measures with naturally high levels of cost-effectiveness to the customer. The sensitivity of total achievable potential to this particular screening criterion was tested using alternative simple payback screening values (1 year and 3 years). In addition to this screening step, the naturally occurring analysis performed in estimating achievable potential represents an estimate of the amount of "free riders" that are reasonably expected to participate in the particular program offering simulated. In this sense, the payback-based screening criteria were implemented to develop portfolios with necessarily low free-ridership levels, and within the achievable potential forecasts for those portfolios, the forecasting methodology produces explicit estimates of the expected level of free-ridership within those programs. (Pippin, Herndon)
- OUC:** Yes. OUC’s proposed goals appropriately reflect consideration of free riders by application of the two-year payback screen that the Commission has approved for

the past 30 years. The free ridership issue is important because free riders, by definition, are customers who receive incentive payments, paid for by OUC's other customers, to implement DSM measures that they would otherwise implement without any utility-funded incentive payment to do so. In other words, where free ridership occurs, all OUC customers are paying unnecessarily for the conservation benefits provided by the free rider's DSM measures. Based on the PSC's consistent approval of the two-year payback screen over the past 30 years, OUC has come to believe that the two-year screen strikes a reasonable and appropriate balance between the desire for greater energy conservation and the desire to avoid the adverse economic effects of free ridership, i.e., that free riders cause all customers to pay more than necessary to achieve the conservation benefits flowing from free riders' participation in DSM programs. (Herndon, Noonan)

**FDACS:** In considering whether the utilities' proposed goals appropriately reflect free riders, the Commission should consider policy options that take into account the payback period of the proposed program measures consistent with prior Commission practice.

**FIPUG:** No position.

**FL Rising/  
ECOSWF/**

**LULAC:** No. The continued use of the two-year payback screen is not backed by empirical evidence and results in double-counting for freeriders resulting in otherwise cost-effective measures being screened out, especially measures that are important to low-income communities. (Marcelin)

**Nucor:** No position.

**PCS**

**Phosphate:** No position.

**SACE:** No. Blanket use of two-year payback screen is an inappropriate method to address free ridership because it is assigned arbitrarily and is not based on evidence of the behavior of actual customers. The concept of the two-year payback screen wrongly assumes that a customer who is able to do so will take advantage of any measure that has return that pays for itself within 2 years from its implementation. A customer might never become aware of such measure without an incentive or rebate tied to it. A customer might not understand the calculation to determine the payback period or know where to find the information to make the calculation. Rather than a "free rider," a customer might be a "fence sitter" and be motivated by an incentive to participate, even though the return on investment offers a short payback. A customer that does not fall within the low-income category can nevertheless feel

budget constraints or cash flow limitations that restrain participation in the absence of an incentive. In making improper assumptions instead of using data to identify free riders, the two-year payback screen makes the cost-effectiveness tests even more restrictive and rejects the easiest and cheapest savings. The Commission should require utilities to adopt a data-driven methodology like those used in other jurisdictions, or at a minimum, should reduce the payback period to 1 year.

**Walmart:** Walmart takes no position.

**STAFF:** No position.

**ISSUE 8A:** **Should demand credit rates for interruptible service, curtailable service, stand-by generation, or similar potential demand response programs be addressed in this proceeding or in the base rate proceedings for the rate regulated FEECA Utilities?**

**FPL:** For FPL, this is not the appropriate proceeding to reset the Commercial and Industrial Load Control (CILC) and Commercial Demand Response (CDR) credits for FPL's commercial and industrial demand response programs. The current CILC and CDR credits were set in FPL's 2021 Rate Case Settlement Agreement, which was approved by the Commission in Order Nos. PSC-2021-0446-S-EI, PSC-2021-0446A-S-EI and PSC-2024-0078-FOF-EI. Importantly, Paragraph 4(e) of the FPL 2021 Base Rate Case Settlement provides, in pertinent part, that the CILC and CDR credits are to be reset in a general base rate proceeding. (Floyd)

**DEF:** Absent a comprehensive settlement agreement approved in a separate Commission docket (e.g., in a rate case settlement), under 25-17.0021(1), the credit rates should be addressed in this proceeding for the rate-regulated FEECA Utilities.

**TECO:** Credit rates are normally addressed in the Commission's demand-side management dockets. These credit rates, however, may also be addressed in utility base rate cases. One illustration is Tampa Electric's 2021 Settlement Agreement, which established the company's current standby generator credit and commercial demand response credit rates.

**JEA:** This issue does not apply to JEA. As such, JEA takes no position.

**OUC:** This Issue 8 is not at issue for OUC.

**FDACS:** No position on this ratemaking issue.

**FIPUG:** The demand credit rates for interruptible service, curtailable service, stand-by generation, or similar potential demand response programs should be addressed in the base rate proceedings for the rate regulated FEECA Utilities. This Commission and recent Commissions have adjusted demand credit rates in base rate cases. Base rate proceedings often result in settlement agreements, in which credit adjustments are part and parcel of a negotiated outcome which must pass a public interest test. Setting these demand credit rates set in base rate cases provides clear and unambiguous notice that the proper venue in which to consider this issue is a respective utility's base rate case. Adopting the Commission's past practice of establishing demand credit rates for interruptible service, curtailable service, stand-by generation, or similar potential demand response programs in a utility's base rate case is more efficient, since affected intervenors will not have to file testimony in two dockets, the company's goals docket and the company's base rate case docket.

**FL Rising/  
ECOSWF/  
LULAC:**

This proceeding.

**Nucor:** This issue is inappropriate for consideration in this docket. The credits for interruptible service, curtailable service, standby generation or similar tariff-based demand response programs should be set in base rate proceedings, where all the rates, terms and conditions of such tariffs may be considered.

**PCS**

**Phosphate:** All adjustments to the rates, terms and conditions of tariff-based DEF demand response programs should be made in base rate proceedings.

**SACE:** Adopts the position of Florida Rising, LULAC, and ECOSWF.

**Walmart:** This is a legal issue which should be handled the same way for each of the rate-regulated Florida Energy Efficiency and Conservation Act ("FEECA") Utilities: FPL, DEF, and TECO. Demand credit rates for interruptible service, curtailable service, stand-by generation, or similar potential demand response programs (collectively, "credits") should be set in base rate proceedings for FPL, DEF, and TECO for the following reasons:

1. For consistency with the Commission's and rate-regulated FEECA Utilities' addressing and adjusting credits in prior base rate proceedings for each of the rate-regulated FEECA Utilities;
2. For compliance with Settlement Agreements in base rate proceedings wherein agreements on the credits have been addressed and resolved, such as the approved 2021 TECO Base Rate Case Settlement

Agreement in Docket 20210034-EI, approved 2021 FPL Base Rate Case Settlement Agreement in Docket 20210015-EI, and filed 2024 DEF Settlement Agreement in Docket 20240025-EI, for which review by the Commission is forthcoming;

3. For consistency with the rate-regulated FEECA Utilities' tariff-filing requirements per Fla. Admin. Code. Rules 25-9.007, R. 9.031, and R. 9.068;
4. For consistency with FEECA, which is not a base rate proceeding but a forward-looking, conservation goal setting process to address technical and economic potential to achieve efficiency, but where the benefits for the interruptible and curtailable services programs are understated, which could potentially impact customer deployment of dispatchable DER to support grid reliability and resilience; and
5. For process efficiency, so this issue is handled in only one Docket for each of the rate-regulated FEECA Utilities and participating parties, not both.

**STAFF:** No position.

**ISSUE 8B: If this proceeding, what demand credit rates are appropriate for purposes of establishing the utilities' goals?**

**FPL:** Not applicable. The appropriate demand credits for FPL's CILC and CDR programs in this proceeding are the credits approved by the Commission in Order Nos. PSC-2021-0446-S-EI, PSC-2021-0446A-S-EI and PSC-2024-0078-FOF-EI. (Floyd)

**DEF:** The Stipulating Parties reserve the right to take positions on Issue 8(a). However, for purpose of Stipulation, and in accordance with the provisions of the 2024 Settlement Agreement filed contemporaneously in Docket No. 20240025-EI, the parties agree to stipulate the level of demand credit rates. The Stipulation on Issue 8(b) to set the level of credits should not be construed to indicate that parties have agreed that the DSM goals case is the proper forum to set the level of credits, and acceptance of the Stipulations as to the level of credits should be considered independently of the question of where the credits should be set. The following levels of clause-recoverable credits for Interruptible ("IS"), Curtailable ("CS"), and Standby Generation ("GSLM-2") customers shall be in effect beginning with the first billing cycle of 2025:

<u>Customer Type</u>	<u>Credit Level</u>
<u>IS</u>	<u>\$8.00/kw-month</u>
<u>CS</u>	<u>\$8.00/kw-month</u>
<u>GSLM-2</u>	<u>\$8.11 x C + \$0.10 x kwh monthly</u>

No changes in these credits shall be implemented any earlier than the effective date of new DEF base rates implemented pursuant to a general base rate proceeding, and that such new IS/CS/GSLM-2 credits shall only be implemented prospectively from such effective date. At such time as DEF's base rates are reset in a general base rate proceeding, the IS/CS/GSLM-2 credits shall be reset. In the next Demand Side Management goals and plan approval proceeding (currently anticipated to occur in 2029), DEF shall not propose to change the level of the credits.

**TECO:** Tampa Electric proposes the following appropriate demand credit rates for curtailable service, stand-by generation, or similar demand response programs (other than GSLM 2 & 3) for the 2025-2034 period:

Residential Programs:

Prime Time Plus	<u>Appliance Controlled</u>	<u>Monthly Credit</u>
	Electric Water Heater	\$6.00
	Heating and Cooling Equipment	\$12.00
	Swimming Pool Pump	\$3.00
	Level II Electric Vehicle Charger	\$9.00

Commercial/Industrial Programs:

Demand Response

Monthly Credit: \$6.15 per kW of transferrable or curtailable load

Commercial Load Management (GSLM 1)

Monthly Credit: \$5.00 per kW of demand reduction (cyclic control)  
 \$5.50 per kW of demand reduction (extended control)

Standby Generator

Monthly Credit: \$6.15 per kW of transferrable load

**JEA:** This issue does not apply to JEA. As such, JEA takes no position.

**OUC:** This Issue 8 is not at issue for OUC.

**FDACS:** No position on this ratemaking issue.

**FIPUG:** Should the Commission not adopt the stipulation flowing from the pending DEF Settlement Agreement with FIPUG and a number of other parties, and should the Commission decide to handle demand credit rates in this docket rather than DEF’s base rate case, the Commission should adopt the DEF demand credits as proposed by FIPUG witness Jeff Pollock of \$9.15 per kW per month. While TECO and FPL are contractually precluded from addressing the demand credits outside of their respective base rate cases by in place settlement agreements, should the the Commission decide to address the demand credit rates in this docket, the demand credit rates of both companies should not be changed or increased by the consumer price index.

**FL Rising/  
 ECOSWF/  
 LULAC:**

Interruptible and curtailable service programs should not be used by utilities in setting conservation goals when the service never actually gets interrupted. Because of this fatal flaw in the program, the general body of ratepayers essentially provides funding for commercial and industrial entities to receive energy savings credits without actually bearing any burden. For this reason, the Commission should dramatically cut (or eliminate) the demand credit rates in the FPL docket and cut the demand credit rates in the TECO docket. (Marcelin testimony). For the DEF docket, Florida Rising and LULAC have stipulated to the following position: The Stipulating Parties reserve the right to take positions on Issue 8(a). However, for purpose of Stipulation, and in accordance with the provisions of the 2024 Settlement Agreement filed contemporaneously in Docket No. 20240025-EI, the parties agree to stipulate the level of demand credit rates. The Stipulation on Issue 8(b) to set the level of credits should not be construed to indicate that parties have agreed that the DSM goals case is the proper forum to set the level of credits, and acceptance of the Stipulations as to the level of credits should be considered independently of where the credits should be set. The following levels of clause-recoverable credits for Interruptible (“IS”), Curtailable (“CS”), and Standby Generation (“GSLM-2”) customers shall be in effect beginning with the first billing cycle of 2025:

Customer Type	Credit Level
IS	\$8.00/kw-month
CS	\$8.00/kw-month
GSLM-2	\$8.11 x C + \$0.10 x kwh monthly

No changes in these credits shall be implemented any earlier than the effective date of new DEF base rates implemented pursuant to a general base rate proceeding, and that such new IS/CS/GSLM-2 credits shall only be implemented prospectively from such effective date. At such time as DEF’s base rates are reset in a general base rate proceeding, the IS/CS/GSLM-2 credits shall be reset. In the next Demand Side Management goals and plan approval proceeding (currently

anticipated to occur in 2029), DEF shall not propose to change the level of the credits.

**Nucor:** The Stipulating Parties reserve the right to take positions on Issue 8(a). However, for purpose of Stipulation, and in accordance with the provisions of the 2024 Settlement Agreement filed contemporaneously in Docket No. 20240025-EI, the parties agree to stipulate the level of demand credit rates. The Stipulation on Issue 8(b) to set the level of credits should not be construed to indicate that parties have agreed that the DSM goals case is the proper forum to set the level of credits, and acceptance of the Stipulations as to the level of credits should be considered independently of the question of where the credits should be set. The following levels of clause-recoverable credits for Interruptible (“IS”), Curtailable (“CS”), and Standby Generation (“GSLM-2”) customers shall be in effect beginning with the first billing cycle of 2025:

<u>Customer Type</u>	<u>Credit Level</u>
<u>IS</u>	<u>\$8.00/kw-month</u>
<u>CS</u>	<u>\$8.00/kw-month</u>
<u>GSLM-2</u>	<u>\$8.11 x C + \$0.10 x kwh monthly</u>

No changes in these credits shall be implemented any earlier than the effective date of new DEF base rates implemented pursuant to a general base rate proceeding, and that such new IS/CS/GSLM-2 credits shall only be implemented prospectively from such effective date. At such time as DEF’s base rates are reset in a general base rate proceeding, the IS/CS/GSLM-2 credits shall be reset. In the next Demand Side Management goals and plan approval proceeding (currently anticipated to occur in 2029), DEF shall not propose to change the level of the credits.

**PCS**

**Phosphate:** The Commission should approve the revised credit rates that are set forth in the Joint Notice of Necessary Stipulations filed on July 15, 2024. If the Commission does not approve the stipulated credit levels, but chooses nonetheless to set DEF’s CS and IS credit rates in this proceeding, the Commission should adopt a CS and IS credit level of at least \$9.00/kW-month as recommended in the testimony of Florida Industrial Power Users Group witness Jeffrey Pollock. This level is based on a more reasonable avoided generation unit of a greenfield CT.

**SACE:** Adopts the position of Florida Rising, LULAC, and ECOSWF.

**Walmart:** For FPL, this issue is moot because of FPL's 2021 Base Rate Case Settlement Agreement, which was approved by the Commission in Order Nos. PSC-2021-0446-S-EI, PSC-2021-0446A-S-EI and PSC-2024-0078-FOF-EI. Paragraph 4(e)



of the FPL 2021 Base Rate Case Settlement Agreement provides that the Commercial Industrial Load Control ("CILC") and Commercial/Industrial Demand Reduction ("CDR") credits are to be reset in a general base rate proceeding.

For TECO, this issue is moot because of TECO's 2021 Base Rate Case Settlement Agreement, which was approved by the Commission in Order No. Order No. PSC-2021-0423-S-EI, establishes standby generator credit and commercial demand response credit rates. TECO proposes to maintain these credit values in this proceeding.

For DEF, this issue is moot because of the Joint Notice of Necessary Stipulations to Issues 8(b) and 12 by DEF, Florida Industrial Power Users Group ("FIPUG"), Nucor Steel Florida, Inc. ("Nucor"), White Springs Agricultural Chemical, Inc. d/b/a PCS Phosphate – White Springs ("PCS Phosphate"), Walmart, Florida Rising, Inc. ("Florida Rising"), and LULAC Florida, Inc. ("LULAC") filed in Docket 20240013-EG on July 15, 2024.

**STAFF:** No position.

**ISSUE 9: Should the savings associated with FPL's Residential Low Income Renter Pilot program be included in its conservation goals?**

**FPL:** Yes. FPL's Residential Low Income Renter Pilot program is a new DSM measure that allows low-income renters to receive the energy-saving benefit of more efficient HVAC equipment while keeping the landlord whole from a capital investment perspective. Under this new low-income program, FPL will pay the incremental cost of a more efficient HVAC unit, up to \$1,000, such that a landlord replacing an HVAC unit for a tenant property will essentially pay the same cost for the more efficient HVAC unit as they would have for a less efficient/standard HVAC unit. This will eliminate the disincentive the landlord has to make an incremental investment in energy-efficient equipment while allowing the low-income renter to receive the benefit of the more efficient HVAC equipment on their energy consumption and electric bill. FPL is proposing to limit this program to three years with an annual cap of 500 participants in order to test and evaluate the effectiveness of this new program and determine if a similar low-income program should be offered in the future. (Floyd)

**DEF:** No position.

**TECO:** No position. (Roche)

**JEA:** This issue does not apply to JEA. As such, JEA takes no position.

**OUC:** This Issue 9 is not at issue for OUC.

**FDACS:** No position on this utility-specific issue.

**FIPUG:** No position.

**FL Rising/  
ECOSWF/  
LULAC:**

FL Rising, ECOSWF, and LULAC retain concerns with the logistics surrounding the Residential Low Income Renter Pilot Program. The proposed \$1,000 credit may not be enough to upgrade to a more efficient HVAC unit and FPL falsely assumes that simply because it is providing this credit, landlords will not use the upgraded HVAC system as an excuse to raise rent to recover installation costs. However, Florida Rising, ECOSWF, and LULAC do not believe FPL's proposed goals, as they are very low relative to the size of the utility, should be cut if this program is not approved. (Marcelin)

**Nucor:** No position.

**PCS  
Phosphate:** No position.

**SACE:** The Commission should require FPL to demonstrate that the incentive to a landlord to upgrade HVAC units will not result in higher rents for tenants as a consequence of the landlord's portion of the cost being recovered through rent increases. Nevertheless, even if the program is not approved, FPL's goals should not be reduced.

**Walmart:** Walmart takes no position.

**STAFF:** No position.

**ISSUE 10:** **Is FPL's proposed HVAC On-Bill option for its existing Residential On-Call program with its associated HVAC Services Agreement (proposed Tariff sheets 9.858 through 9.866) a regulated activity within the jurisdiction of the Commission? If not, should the savings associated with FPL's HVAC On-Bill option and HVAC Services Agreement be removed from its conservation goals?**

**FPL:** Yes. FPL's proposed HVAC On-Bill option expands the existing On Call<sup>®</sup> load-management program to allow greater customer access to new energy-saving HVAC equipment in a way that also passes the RIM cost-effectiveness test. In direct support of FPL's production, transmission, and delivery of electric power to

its customers, the voluntary HVAC On-Bill tariff program will provide interested customers with an opportunity to acquire a new, more energy-efficient HVAC unit for a fixed monthly charge, and FPL will have the ability to control that HVAC unit in peak demand situations with this load-control measure. The forecasted peak demand reductions arising from the On- Bill Program will be factored into the resource planning for FPL's generation system required to serve customers. *See* § 366.02(4), Fla. Stat. Consistent with the goals and provisions of Sections 366.81 and 366.82, Florida Statutes, this proposed DSM program will focus on the highest priorities of weather-sensitive peak demand while also providing benefit to the general body of customers from the avoided capacity savings related to FPL retaining control of the HVAC equipment. This proposed regulated activity represents an efficiency investment across FPL's generation, transmission, and distribution as well as within its customer base. (Floyd)

**DEF:** No position.

**TECO:** No position. (Roche)

**JEA:** This issue does not apply to JEA. As such, JEA takes no position.

**OUC:** This Issue 10 is not at issue for OUC.

**FDACS:** No position on this utility-specific issue.

**FIPUG:** No position.

**FL Rising/  
ECOSWF/  
LULAC:**

No. FPL's HVAC On-Bill option for its Residential On-Call program essentially gives FPL the role of a middleman or salesman for its contracted HVAC providers. Because this eventually results in the sale of the HVAC system, which FPL concedes is transferred into ownership of the customer at the end of the program period, this should not be considered a regulated activity falling under the Commission's jurisdiction. However, given how low FPL's proposed goals are and how they should be increased to reflect the cost-effective reasonably achievable potential for energy efficiency in its territory, the savings associated with the program should not be removed from FPL's conservation goals.

**Nucor:** No position.

**PCS  
Phosphate:** No position.

**SACE:** With respect to the first question in this issue, adopts the position of FPL. With respect to the second question in this issue, FPL's goals should not be reduced, regardless of how the Commission answers the first question.

**Walmart:** Walmart takes no position.

**STAFF:** No position.

**ISSUE 11: Should the Commission approve FPL's proposed plan to cap participation for non- RIM Test passing programs once sector-level goals are achieved?**

**FPL:** Yes. FPL's proposed DSM Goals include both RIM- and TRC-passing programs, which will allow FPL to continue delivering meaningful energy-efficiency savings options to all customers including owners, renters, and low-income customers. RIM-passing programs result in the lowest rate impact, benefit all customers, and avoid cross-subsidization of participants by non-participants. TRC-passing measures can expose all utility customers, whether they participate in a DSM program or not, to higher electric rates. Thus, as an appropriate guardrail on such measures, FPL proposes to limit costs of non-RIM passing programs by capping participation once sector-level goals are met, which is consistent with FPL's last two Commission-approved DSM Plans. This limitation on participation would only apply to non-RIM-passing energy efficiency programs and provides a way to limit overall portfolio costs while still making valuable energy savings programs available to FPL customers. (Floyd)

**DEF:** No position.

**TECO:** No position. (Roche)

**JEA:** This issue does not apply to JEA. As such, JEA takes no position.

**OUC:** This Issue 11 is not at issue for OUC.

**FDACS:** No position on this utility-specific issue.

**FIPUG:** No position.

**FL Rising/  
ECOSWF/  
LULAC:**

No. This could artificially cap participation in low-income programs, which should remain uncapped given how low they are in relation to other utilities in Florida.

**Nucor:** No position.

**PCS**

**Phosphate:** No position.

**SACE:** No. FPL’s goals are inappropriately low relative to its size and given their relation to the goals of other utilities in Florida. Any cap could result in reduced participation by customers, including low-income customers.

**Walmart:** Walmart takes no position.

**STAFF:** No position.

**ISSUE 12: What residential and commercial/industrial summer and winter megawatt (MW) and annual Gigawatt-hour (GWh) goals should be established for the period 2025- 2034?**

**FPL:** The proposed DSM goals based on the FPL Proposed Resource Plan are 419 MW Summer demand, 326 MW Winter demand, and 931 GWh energy reduction for the period 2025 through 2034. (Floyd, Whitley)

	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	Cumulative
Summer MW											
Residential	26.22	26.46	26.85	26.87	26.99	27.15	27.36	27.59	27.87	28.18	271.54
Commercial/Industrial	16.24	16.26	16.28	13.89	13.94	14.00	14.05	14.11	14.17	14.23	147.17
Total <sup>1</sup>	42.46	42.72	43.13	40.76	40.93	41.15	41.41	41.70	42.04	42.41	418.71
Winter MW											
Residential	20.76	21.65	22.75	23.15	23.62	24.12	24.66	25.24	25.85	26.51	238.32
Commercial/Industrial	9.65	9.68	9.71	8.28	8.33	8.38	8.43	8.48	8.54	8.59	88.06
Total <sup>1</sup>	30.42	31.34	32.46	31.43	31.94	32.50	33.09	33.72	34.39	35.10	326.38
Annual GWh											
Residential	43.71	43.00	42.39	41.42	40.99	40.65	40.38	40.18	40.03	39.93	412.68
Commercial/Industrial	48.40	49.13	49.87	50.60	51.37	52.15	52.95	53.76	54.58	55.42	518.24
Total <sup>1</sup>	92.11	92.13	92.26	92.02	92.37	92.81	93.33	93.94	94.61	95.35	930.93

<sup>(1)</sup> Totals may not add due to rounding.

**DEF:** DEF’s energy efficiency goals will reflect their proposed goals, plus an increase in participation for Neighborhood Energy Saver by 10% and an increase the installation of smart thermostats from 10% to 40%. This results in the following goals for the 10-year period:

2025-2034 Annual Goals									
Recommended Annual Goals (values at the generator)									
	Residential			Non-Residential			Total		
	WMW	SMW	GWH'S	WMW	SMW	GWH'S	WMW	SMW	GWH'S
2025	32	21	50	4	7	5	35	28	55
2026	32	21	51	3	7	5	35	28	56
2027	33	22	52	4	9	6	38	31	58
2028	34	22	53	4	9	6	38	31	59
2029	34	22	54	4	10	7	39	32	61
2030	33	22	53	4	9	6	37	31	59
2031	33	22	53	4	8	6	37	30	59
2032	33	22	54	5	8	5	38	30	59
2033	33	22	54	5	8	4	38	30	58
2034	33	22	54	5	8	4	38	29	58
<b>TOTAL</b>	<b>331</b>	<b>215</b>	<b>527</b>	<b>42</b>	<b>84</b>	<b>55</b>	<b>373</b>	<b>300</b>	<b>582</b>

(Duff)

**TECO:** Tampa Electric proposes the following residential and commercial/industrial summer and winter megawatt (MW) and annual Gigawatt-hour (GWh) goals should be established for the period 2025-2034 in the charts below:

Tampa Electric's 2025-2034 Proposed Residential DSM Goals at the Generator			
Year	Summer Demand (MW)	Winter Demand (MW)	Annual Energy (GWh)
	<u>Incremental</u>	<u>Incremental</u>	<u>Incremental</u>
2025	7.8	13.8	24.2
2026	7.8	13.8	24.2
2027	8.7	14.4	24.8
2028	8.5	14.3	24.2
2029	8.5	14.3	24.2
2030	9.5	15.0	25.2
2031	9.4	14.9	24.7
2032	9.4	14.9	24.7
2033	9.5	15.0	25.2
2034	9.4	14.9	24.7

The cumulative effect of these residential goals through 2034 would be a summer MW reduction of 88.6 MW, a winter MW reduction of 145.4 MW and cumulative energy savings of 246.2 GWh.

Tampa Electric's 2025-2034 Proposed Commercial/Industrial DSM Goals at the Generator			
Year	Summer Demand (MW)	Winter Demand (MW)	Annual Energy (GWh)
	<u>Incremental</u>	<u>Incremental</u>	<u>Incremental</u>
2025	6.4	5.4	22.2
2026	6.3	5.4	22.2
2027	6.9	5.9	22.3
2028	6.4	5.4	22.3
2029	6.4	5.4	22.3
2030	5.9	5.1	18.6
2031	5.4	4.6	18.6
2032	5.4	4.6	18.6
2033	6.0	5.1	18.6
2034	5.4	4.6	18.6

The cumulative effect of these commercial/industrial goals through 2034 would be a summer MW reduction of 60.5 MW, a winter MW reduction of 51.7 MW and cumulative energy savings of 204.4 GWh. (Roche)

**JEA:**

The Commission should establish the goals set for in the following table. Consistent with the goals previously approved by the Commission, JEA’s proposed numeric conservation goals are based on the DSM programs that JEA currently offers with some modifications. This goal-setting approach is consistent with the Commission’s well-established policy that for FEECA municipal utilities, such as JEA, “it is appropriate to defer to municipal utilities’ governing bodies to determine the level of investment if measures are not cost-effective.” Order No. PSC-2020-0200-PAA-EG, p.5 (June 24, 2020) (citing Order No. PSC-2015-0324-PAA (Aug. 11, 2015).

The Commission should reject Florida Rising’s proposal that the Commission order JEA to expand its low-income NEE Program by 500% and increase JEA’s goals accordingly. Florida Rising’s proposed 5-fold increase is an arbitrary figure that is not supported by any analysis of achievability or cost-effectiveness as required by Commission rules. Furthermore, the analyses performed by Resource Innovations show that residential conservation measures of the type included in JEA’s NEE Program do not pass the RIM Test, and the NEE Program, as a whole, does not pass the RIM Test, meaning that the NEE Program puts upward pressure (i.e., increases) JEA’s rates to its customer. Thus, imposition of Florida Rising’s

proposal would be inconsistent with the Commission’s long- standing policy regarding the basis of establishing numeric goals for municipal utilities under FEECA.

Year	Residential			Commercial/Industrial			Total		
	Summer Peak Demand Reduction (MW)	Winter Peak Demand Reduction (MW)	Annual Energy (MWh)	Summer Peak Demand Reduction (MW)	Winter Peak Demand Reduction (MW)	Annual Energy (MWh)	Summer Peak Demand Reduction (MW)	Winter Peak Demand Reduction (MW)	Annual Energy (MWh)
2025	0.68	0.88	3,172	0.44	0.37	3,346	1.12	1.25	6,518
2026	0.84	0.99	3,670	0.47	0.39	3,562	1.31	1.38	7,232
2027	1.03	1.11	4,257	0.50	0.41	3,771	1.53	1.52	8,028
2028	1.26	1.25	4,917	0.53	0.42	3,975	1.79	1.67	8,892
2029	1.50	1.38	5,608	0.56	0.44	4,169	2.06	1.82	9,777
2030	1.73	1.51	6,250	0.58	0.45	4,334	2.31	1.96	10,584
2031	1.90	1.60	6,733	0.60	0.46	4,444	2.50	2.06	11,177
2032	1.96	1.65	6,951	0.60	0.46	4,470	2.56	2.11	11,421
2033	1.89	1.63	6,850	0.59	0.46	4,403	2.48	2.09	11,253
2034	1.70	1.57	6,474	0.57	0.45	4,257	2.27	2.02	10,731

**OUC:** The Commission should approve the FEECA Goals recommended by OUC’s witness Kevin M. Noonan. The following table summarizes OUC’s proposed MWH Energy Savings, Summer KW Savings, and Winter KW Savings goals for 2025, 2030, and 2034; annual goals are presented in Mr. Noonan’s testimony and exhibits. (Herndon Kushner, Noonan)

<u>Goal</u>	<u>2025</u>	<u>2030</u>	<u>2034</u>
Summer KW Savings	590	580	890
Winter KW Savings	560	730	810
Energy (NEL) Savings (MWH)	4,242	5,760	6,382

**FDACS:** FDACS has no position as to the appropriate commercial/industrial summer and winter MW and annual GWh goals that should be established for the 2025-2034 period. However, the Commission should balance the goal of energy efficiency and conservation with the impact of the costs and benefits of these programs on rates and overall customer bills.

**FIPUG:** No position.

**FL Rising/  
 ECOSWF/  
 LULAC:**

The Commission should approve residential goals consistent with the testimony of Witness Marcelin. Each utility should aim to increase ambition in setting their summer and winter MW and GWh goals. By increasing goals for participation in residential energy efficiency goals based on levels of participation prior to cuts to



energy efficiency goals in 2014, each utility is capable of achieving much more robust and ambitious MW and GWh goals than currently proposed. (Marcelin)

**Nucor:** DEF’s energy efficiency goals will reflect their proposed goals, plus an increase in participation for Neighborhood Energy Saver by 10% and an increase in the installation of smart thermostats from 10% to 40%. This results in the following goals for the 10-year period:

2025-2034 Annual Goals									
Recommended Annual Goals (values at the generator)									
	Residential			Non-Residential			Total		
	WMW	SMW	GWH'S	WMW	SMW	GWH'S	WMW	SMW	GWH'S
2025	32	21	50	4	7	5	35	28	55
2026	32	21	51	3	7	5	35	28	56
2027	33	22	52	4	9	6	38	31	58
2028	34	22	53	4	9	6	38	31	59
2029	34	22	54	4	10	7	39	32	61
2030	33	22	53	4	9	6	37	31	59
2031	33	22	53	4	8	6	37	30	59
2032	33	22	54	5	8	5	38	30	59
2033	33	22	54	5	8	4	38	30	58
2034	33	22	54	5	8	4	38	29	58
<b>TOTAL</b>	<b>331</b>	<b>215</b>	<b>527</b>	<b>42</b>	<b>84</b>	<b>55</b>	<b>373</b>	<b>300</b>	<b>582</b>

**PCS**

**Phosphate:** The Commission should approve the annual residential and commercial/industrial summer and winter MW and GWh goals that are set forth in the Joint Notice of Necessary Stipulations filed on July 15, 2024.

**SACE:** Adopts the position of Florida Rising, LULAC, and ECOSWF.

**Walmart:** Walmart takes no position.

**STAFF:** No position.

**ISSUE 13: What goals, if any, should be established for increasing the development of demand-side renewable energy systems?**

**FPL:** Goals of zero should be established for demand-side renewable energy systems because such systems are not cost-effective for FPL’s customers. In total, there were 9 unique demand-side renewable measures evaluated in the goals process. However, the demand-side renewable measures fail both the RIM and the TRC economic screening tests. Setting Goals at zero for demand-side renewable energy systems would be consistent with past Commission practice of setting DSM Goals at zero for FEECA Utilities when no demand-side renewable measures are cost-effective, but addressed through the Commission’s net metering program. A Goal

level of zero would best protect the general body of customers and minimize cross-subsidies between participants and non- participants. (Floyd, Whitley)

**DEF:** Given that renewable systems were not deemed cost effective under the RIM test, it would not be appropriate to establish goals for demand-side renewable systems in this goal setting proceeding. Demand-side renewable systems were evaluated using the same criteria used for other energy efficiency measures. Programs that provide incentives to customers who install renewable systems would result in cross subsidies between participants and non-participants and increase rates to all customers. (Duff)

**TECO:** Goals should not be established for increasing the development of demand-side renewable energy systems as they continue to be non-cost effective. If any goals are set, they should be set at zero, as these measures are not cost-effective. (Roche)

**JEA:** The cost-effectiveness analysis of demand-side renewable energy systems shows that they are not cost-effective. Therefore, no goals should be established for demand-side renewable systems. (Pippin, Herndon)

**OUC:** Because there are no cost-effective demand-side renewable energy measures available for OUC, the Commission should not approve any numeric goals for such systems in the current FEECA Goals proceedings. (Herndon)

**FDACS:** The Legislature has declared that it is critical to utilize the most efficient and cost-effective demand-side renewable energy systems. The Commission should consider policy options that can be implemented to achieve least-cost strategies that take into account the costs and benefits of the programs and their impact on all ratepayers.

**FIPUG:** No position.

**FL Rising/  
ECOSWF/  
LULAC:**

Net-metering should be required for all utilities subject to this proceeding in order to increase the development of demand-side renewable energy systems.

**Nucor:** No position.

**PCS**

**Phosphate:** No position.

**SACE:** Adopts the position of Florida Rising, LULAC, and ECOSWF.

**Walmart:** Walmart takes no position.

**STAFF:** No position.

**ISSUE 14: Should these dockets be closed?**

**IX. EXHIBIT LIST**

<u>Witness</u>	<u>Proffered By</u>		<u>Description</u>
<u>Direct</u>			
John F. Floyd	FPL	JNF-1	Historical DSM Participation and Achievements
John F. Floyd	FPL	JNF-2	Current DSM Programs and Associated Measures
John F. Floyd	FPL	JNF-3	List of Measures Evaluated for Technical Potential
John F. Floyd	FPL	JNF-4 <i>(Corrected by Floyd Errata filed on July 12, 2024)</i>	2025-2034 Goals Scenarios and Potential Programs
John F. Floyd	FPL	JNF-5 <i>(Corrected by Floyd Errata filed on July 12, 2024)</i>	Comparison of Current Programs to Proposed Programs
Andrew W. Whitley	FPL	AWW-1	Economic Elements Accounted for in DSM Preliminary Screening Tests: Benefits & Costs
Andrew W. Whitley	FPL	AWW-2	Summary Results of Preliminary Economic Screening of Individual DSM Measures

<u>Witness</u>	<u>Proffered By</u>		<u>Description</u>
Andrew W. Whitley	FPL	AWW-3	Summary Results of Preliminary Economic Screening of Individual DSM Measures: Sensitivity Cases
Andrew W. Whitley	FPL	AWW-4	Forecasted Fuel and Environmental Compliance Costs
Andrew W. Whitley	FPL	AWW-5	Projection of FPL's Resource Needs for 2024 - 2035 with No Incremental DSM Signups After 2024
Andrew W. Whitley	FPL	AWW-6 <i>(Corrected by Whitley Errata filed on July 12, 2024)</i>	Comparison of DSM Reasonably Achievable Summer MW Values with FPL's Projected Summer Resource Needs
Andrew W. Whitley	FPL	AWW-7 <i>(Corrected by Whitley Errata filed on July 12, 2024)</i>	Overview of Supply Only and With DSM Resource Plans
Andrew W. Whitley	FPL	AWW-8	Levelized System Average Electric Rate Calculation for the Supply Only Resource Plan
Andrew W. Whitley	FPL	AWW-9	Levelized System Average Electric Rate Calculation for the RIM Resource Plan
Andrew W. Whitley	FPL	AWW-10 <i>(Corrected by Whitley Errata filed on July 12, 2024)</i>	Levelized System Average Electric Rate Calculation for the FPL Proposed Resource Plan

<u>Witness</u>	<u>Proffered By</u>		<u>Description</u>
Andrew W. Whitley	FPL	AWW-11 ( <i>Corrected by Whitley Errata filed on July 12, 2024</i> )	Levelized System Average Electric Rate Calculation for the TRC Resource Plan
Andrew W. Whitley	FPL	AWW-12 ( <i>Corrected by Whitley Errata filed on July 12, 2024</i> )	Comparison of the Resource Plans: Economic Analyses Results
Andrew W. Whitley	FPL	AWW-13 ( <i>Corrected by Whitley Errata filed on July 12, 2024</i> )	Additional Cost Needed to be Added to the RIM Plan to Increase its Levelized System Average Electric Rate to That of the TRC Plan
Andrew W. Whitley	FPL	AWW-14 ( <i>Corrected by Whitley Errata filed on July 12, 2024</i> )	Additional Cost Needed to be Added to the FPL Proposed Plan to Increase its Levelized System Average Electric Rate to That of the TRC Plan
Andrew W. Whitley	FPL	AWW-15 ( <i>Corrected by Whitley Errata filed on July 12, 2024</i> )	Comparison of the Resource Plans: Projection of System Average Electric Rates and Customer Bills (Assuming 1,000 kWh Usage)
Andrew W. Whitley	FPL	AWW-16	Comparison of the Resource Plans: Projection of System Emissions

<u>Witness</u>	<u>Proffered By</u>		<u>Description</u>
Andrew W. Whitley	FPL	AWW-17	Comparison of the Resource Plans: Projection of System Oil and Natural Gas Usage
Jim Herndon	FPL DEF TECO FPUC JEA OUC	JH-1	Herndon Background and Qualifications
Jim Herndon	FPL	JH-2	TPS for Florida Power Light & Light Company
Jim Herndon	DEF	JH-3	Technical Potential Study of DSM for DEF
Jim Herndon	TECO	JH-4	Technical Potential Study for Tampa Electric Company
Jim Herndon	FPUC	JH-5	Technical Potential Study of Demand-Side Management in Florida Public Utilities Company's Territory (3-7-2024)
Jim Herndon	JEA	JH-6	TPS for JEA
Jim Herndon	OUC	JH-7	Technical Potential Study for OUC
Jim Herndon	FPL DEF TECO FPUC JEA OUC	JH-8	2024 Measure List
Jim Herndon	FPL DEF TECO FPUC JEA OUC	JH-9	Comparison of Comprehensive 2019 Measure Lists to the 2024 Comprehensive Measure Lists

<u>Witness</u>	<u>Proffered By</u>		<u>Description</u>
Jim Herndon	DEF	JH-10	DEF Measure Screening and Economic Sensitivities
Jim Herndon	FPUC	JH-11	FPUC Measure Screening and Economic 23 Sensitivities
Jim Herndon	JEA	JH-12	JEA Measure Screening & Economic Sensitivities
Jim Herndon	OUC	JH-13	OUC Measure Screening and Economic Sensitivities
Jim Herndon	FPUC	JH-14	FPUC Program Development Summary
Jim Herndon	JEA	JH-15	JEA Program Development Summary
Jim Herndon	OUC	JH-16	OUC Program Development Summary
Tim Duff	DEF	TD-1	Proposed Residential and Non-Residential Annual Potential RIM Evaluation for 2025-2034 (at the Generator)
Tim Duff	DEF	TD-2	Proposed Residential and Non-Residential Annual Potential TRC Evaluation for 2025-2034 (at the Generator)
Tim Duff	DEF	TD-3	Proposed Residential and Non-Residential Annual Potential Recommended Evaluation for 2025-2034 (at the Generator)
Tim Duff	DEF	TD-4	Avoided Cost Assumptions
Tim Duff	DEF	TD-5	Projected Total Portfolio Costs & Residential Rate Impacts
Tim Duff	DEF	TD-6	RIM, TRC & Participant Tests Benefits & Cost Analysis for all Programs for all portfolios

<u>Witness</u>	<u>Proffered By</u>		<u>Description</u>
Tim Duff	DEF	TD-7	Cost-Effectiveness Tests for all DSM Programs in RIM Portfolio
Tim Duff	DEF	TD-8	Cost-Effectiveness Tests for all DSM Programs in TRC Portfolio
Mark R. Roche	TECO	MRR-1	<ol style="list-style-type: none"> <li>1. Tampa Electric’s proposed DSM goals at the generator for the 2025-2034 period and the portfolio of DSM programs that make up this goal.</li> <li>2. Tampa Electric’s Rate Impact Measure test (“RIM”) based DSM goals at the generator for the 2025-2034 period and the portfolio of DSM programs that make up this goal.</li> <li>3. Tampa Electric’s Total Resource Cost test (“TRC”) based DSM goals at the generator for the 2025-2034 period and the portfolio of DSM programs that make up this goal.</li> <li>4. Overall process used to develop the company’s proposed DSM goals for the 2025-2034 period.</li> <li>5. Tampa Electric’s Technical Potential Study of Demand Side Management Report.</li> </ol>



<u>Witness</u>	<u>Proffered By</u>	<u>Description</u>
		<p>6. Comprehensive DSM Measure List.</p> <p>7. Process used to develop the Technical Potential.</p> <p>8. Tampa Electric’s DSM Technical Potential for Energy Efficiency, Demand Response, and Distributed Energy Resources.</p> <p>9. Process used to develop the Economic Potential.</p> <p>10. Tampa Electric’s avoided unit cost data used for cost-effectiveness evaluations.</p> <p>11. Assumptions used for the performance of cost- effectiveness.</p> <p>12. Tampa Electric’s 2025-2034 DSM Economic Potential for the RIM and TRC cost-effectiveness tests.</p> <p>13. Process used to develop the Economic Potential sensitivity analyses.</p> <p>14. DSM Economic Potential Sensitivities</p> <p>15. Free-Ridership Consideration.</p> <p>16. Proposed individual DSM program detail that supports the proposed DSM goals for the 2025-2034 period.</p> <p>17. Proposed RIM based individual DSM program detail that supports the RIM based DSM goals for the 2025-2034 period.</p> <p>18. Proposed TRC based individual DSM program detail that supports the TRC based DSM goals for the 2025-2034 period.</p> <p>19. Tampa Electric’s current DSM programs and achievements.</p>

<u>Witness</u>	<u>Proffered By</u>		<u>Description</u>
			20. Tampa Electric’s proposed DSM Goals. 21. Tampa Electric’s proposed DSM programs that achieve the proposed goals.
Derrick M. Craig	FPUC	DMC-1	CV
Derrick M. Craig	FPUC	DMC-2	FPUC 2020 (Current) DSM Programs and Standards
Derrick M. Craig	FPUC	DMC-3	2019-2023 FPUC Electric Conservation Goals and annual program participation rates
Derrick M. Craig	FPUC	DMC-4	FPUC Current DSM Goals 2015-2024
Michael T. Clark	FPUC	MTC-1	Michael Ty Clark Resume
Michael T. Clark	FPUC	MTC-2	Christensen Associates Energy Consulting Report on FPUC’s Long Term Avoided Costs (4-2-2024)
Brian Pippin	JEA	BP-1	Brian Pippin Resume
Brian Pippin	JEA	BP-2	JEA’s Existing FEECA Goals
Brian Pippin	JEA	BP-3	Current JEA FEECA Programs
Brian Pippin	JEA	BP-4	Historical Participation in Current JEA FEECA Programs
Brian Pippin	JEA	BP-5	Summary of JEA’s Marketing and Educational Activities
Brian Pippin	JEA	BP-6	JEA Residential Bill Impact Analysis
Brian Pippin	JEA	BP-7	JEA’s Proposed Demand-Side Management Goals
Brian Pippin	JEA	BP-8	JEA’s Existing v. Proposed Demand-Side Management Programs

<u>Witness</u>	<u>Proffered By</u>		<u>Description</u>
Bradley Kushner	JEA	BEK-1	Resumé of Bradley E. Kushner
Bradley Kushner	JEA	BEK-2	Summary of Avoided Unit Costs
Bradley Kushner	OUC	BEK-1	Resume' of Bradley E. Kushner
Bradley Kushner	OUC	BEK-2	Summary of Avoided Unit Costs
Bradley Kushner	OUC	BEK-3	Carbon Regulation Compliance Costs
Kevin M. Noonan	OUC	KMN-1	Resumé of Kevin M. Noonan
Kevin M. Noonan	OUC	KMN-2	OUC's 2024 Annual Conservation Report: Demand-Side Management and Conservation Programs Offered in Calendar Year 2023
Kevin M. Noonan	OUC	KMN-3	OUC's Proposed Numeric Demand and Energy Goals, 2025-2034
Kevin M. Noonan	OUC	KMN-4	OUC's Existing and Proposed FEECA Programs
Kevin M. Noonan	OUC	KMN-5	Estimated Bill Impact per 1,000 kWh Residential Service
Jeff Pollock	FIPUG	JP-1	Trends in Generation Capital Costs
Jeff Pollock	FIPUG	JP-2	Installed Cost of Generation Capacity Additions Since 2012
Jeff Pollock	FIPUG	JP-3	CS & IS Monthly Incentive Reflecting Avoided Capital Costs
MacKenzie Marcelin	FL Rising/ ECOSWF/ LULAC	MM-1	2023 State Average Monthly Bill – Residential

<u>Witness</u>	<u>Proffered By</u>		<u>Description</u>
MacKenzie Marcelin	FL Rising/ ECOSWF/ LULAC	MM-2	2022 State Average Monthly Bill – Residential
MacKenzie Marcelin	FL Rising/ ECOSWF/ LULAC	MM-3	2021 State Average Monthly Bill – Residential
MacKenzie Marcelin	FL Rising/ ECOSWF/ LULAC	MM-4	2020 State Average Monthly Bill – Residential
MacKenzie Marcelin	FL Rising/ ECOSWF/ LULAC	MM-5	2019 State Average Monthly Bill – Residential
MacKenzie Marcelin	FL Rising/ ECOSWF/ LULAC	MM-6	2018 State Average Monthly Bill – Residential
MacKenzie Marcelin	FL Rising/ ECOSWF/ LULAC	MM-7	2017 State Average Monthly Bill – Residential
MacKenzie Marcelin	FL Rising/ ECOSWF/ LULAC	MM-8	2016 State Average Monthly Bill – Residential
MacKenzie Marcelin	FL Rising/ ECOSWF/ LULAC	MM-9	2015 State Average Monthly Bill – Residential
MacKenzie Marcelin	FL Rising/ ECOSWF/ LULAC	MM-10	2014 State Average Monthly Bill – Residential
MacKenzie Marcelin	FL Rising/ ECOSWF/ LULAC	MM-11	TECO's Answers to FLL's 1st RFA
MacKenzie Marcelin	FL Rising/ ECOSWF/ LULAC	MM-12	023 Utility Average Monthly Bill - Residential

<u>Witness</u>	<u>Proffered By</u>		<u>Description</u>
MacKenzie Marcelin	FL Rising/ ECOSWF/ LULAC	MM-13	2022 Utility Average Monthly Bill - Residential
MacKenzie Marcelin	FL Rising/ ECOSWF/ LULAC	MM-14	SACE Energy Efficiency in the Southeast 5th Report (2023)
MacKenzie Marcelin	FL Rising/ ECOSWF/ LULAC	MM-15	FPL DSM Annual Report (2023)
MacKenzie Marcelin	FL Rising/ ECOSWF/ LULAC	MM-16	DEF DSM Annual Report (2023)
MacKenzie Marcelin	FL Rising/ ECOSWF/ LULAC	MM-17	TECO DSM Annual Report (2023)
MacKenzie Marcelin	FL Rising/ ECOSWF/ LULAC	MM-18	JEA DSM Annual Report (2023)
MacKenzie Marcelin	FL Rising/ ECOSWF/ LULAC	MM-19	OUC DSM Annual Report (2023)
MacKenzie Marcelin	FL Rising/ ECOSWF/ LULAC	MM-20	FPL 10-Year Site Plan Excerpt (2024)
MacKenzie Marcelin	FL Rising/ ECOSWF/ LULAC	MM-21	DEF 10-Year Site Plan Excerpt (2024)
MacKenzie Marcelin	FL Rising/ ECOSWF/ LULAC	MM-22	TECO 10-Year Site Plan Excerpt (2024)
MacKenzie Marcelin	FL Rising/ ECOSWF/ LULAC	MM-23	JEA 10-Year Site Plan Excerpt (2024)

<u>Witness</u>	<u>Proffered By</u>		<u>Description</u>
MacKenzie Marcelin	FL Rising/ ECOSWF/ LULAC	MM-24	OUC 10-Year Site Plan Excerpt (2024)
MacKenzie Marcelin	FL Rising/ ECOSWF/ LULAC	MM-25	Utility Energy Efficiency
MacKenzie Marcelin	FL Rising/ ECOSWF/ LULAC	MM-26	FPL Low Income Program Workpapers
MacKenzie Marcelin	FL Rising/ ECOSWF/ LULAC	MM-27	FPL DSM Report (2019)
MacKenzie Marcelin	FL Rising/ ECOSWF/ LULAC	MM-28	FPL DSM Report (2014)
MacKenzie Marcelin	FL Rising/ ECOSWF/ LULAC	MM-29	FPL Response to FEL's 1 <sup>st</sup> Interrogatories
MacKenzie Marcelin	FL Rising/ ECOSWF/ LULAC	MM-30	FPL Expenditures on Load Control Programs
MacKenzie Marcelin	FL Rising/ ECOSWF/ LULAC	MM-31	Duke Spending on Industrial and Commercial Customers
MacKenzie Marcelin	FL Rising/ ECOSWF/ LULAC	MM-32	Duke Response to FLL's 1st Interrogatories
MacKenzie Marcelin	FL Rising/ ECOSWF/ LULAC	MM-33	TECO Historical Performance (2014)
MacKenzie Marcelin	FL Rising/ ECOSWF/ LULAC	MM-34	TECO Spending on Industrial and Commercial Customers

<u>Witness</u>	<u>Proffered By</u>		<u>Description</u>
MacKenzie Marcelin	FL Rising/ ECOSWF/ LULAC	MM-35	OUC Proposed Program Planner
MacKenzie Marcelin	FL Rising/ ECOSWF/ LULAC	MM-36	Energy Burden Impacts: Florida in Focus; Impacts of Energy Burden for Jacksonville (Sierra Club, March 2023)
MacKenzie Marcelin	FL Rising/ ECOSWF/ LULAC	MM-37	Duke Residential Program Level Goals
Tony Georgis	Nucor/PCS Phosphate	TMG-1	Resume and Record of Testimony of Tony Georgis
Tony Georgis	Nucor/PCS Phosphate	TMG-2	Select Duke Responses to Interrogatories
Tony Georgis	Nucor/PCS Phosphate	TMG-3	Select Duke Curtailable and Interruptible Service Tariffs
Tony Georgis	Nucor/PCS Phosphate	TMG-4	Duke Energy Florida, LLC's 2024 Ten-Year Site Plan
Tony Georgis	Nucor/PCS Phosphate	TMG-5	Progress Energy Florida, Inc.'s 2005 Ten-Year Site Plan
Steven W. Chriss	Walmart	SWC-1	Witness Qualifications Statement
Steven W. Chriss	Walmart	SWC-2	U.S. Energy Information Administration, "Capital Cost and Performance Characteristics for Utility-Scale Electric Power Generating Technologies," Table 1-2
<u>Rebuttal</u>			
John F. Floyd	FPL	JNF-6	Revised Low Income Program Savings
John F. Floyd	FPL	JNF-7	HVAC Incremental Measure Costs

<u>Witness</u>	<u>Proffered By</u>		<u>Description</u>
Andrew W. Whitley	FPL	AWW-18 (Corrected by Whitley Errata filed on July 12, 2024)	FEL Plan Analysis: Levelized System Average Electric Rate
Andrew W. Whitley	FPL	AWW-19 (Corrected by Whitley Errata filed on July 12, 2024)	FEL Plan Analysis: Comparison of Levelized System Average Electric Rates
Andrew W. Whitley	FPL	AWW-20 (Corrected by Whitley Errata filed on July 12, 2024)	FEL Plan Analysis: Additional Cost Needed to be Added to FPL's Proposed Plan to Increase its Levelized System Average Electric Rate to That of FEL Plan Analysis
Andrew W. Whitley	FPL	AWW-21 (Corrected by Whitley Errata filed on July 12, 2024)	FEL Plan Analysis: Comparison of the Resource Plans: Projection of System Average Electric Rates and Customer Bills (Assuming 1,000 kWh Usage)
Mark R. Roche	TECO	MRR-2	Additional Cost Impacts of Mr. Marcelin's Recommendations
Brian Pippin	JEA	BP-9	Summary of JEA's Neighborhood Energy Efficiency Program kW and kWh Reductions
Kevin M. Noonan	OUC	KMN-6	OUC Responses to Staff's Data Requests – 2024 Annual Conservation Report



Parties and Staff reserve the right to identify additional exhibits for the purpose of cross-examination.

**X. PROPOSED STIPULATIONS**

**DEF – Docket No. 20240013-EG**

DEF, FIPUG, Nucor, PCS Phosphate, Walmart, Florida Rising, and LULAC, by Document No. 07555-2024 filed July 15, 2024, have agreed to the following Necessary Stipulations on Issues 8(b) and 12 and, conditioned upon approval, have agreed to Type II stipulations on Issues 1-7 and 13.

**ISSUE 8B: If this proceeding, what demand credit rates are appropriate for purposes of establishing the utilities’ goals?**

*The Stipulating Parties reserve the right to take positions on Issue 8(a). However, for purpose of Stipulation, and in accordance with the provisions of the 2024 Settlement Agreement filed contemporaneously in Docket No. 20240025-EI, the parties agree to stipulate the level of demand credit rates. The Stipulation on Issue 8(b) to set the level of credits should not be construed to indicate that parties have agreed that the DSM goals case is the proper forum to set the level of credits, and acceptance of the Stipulations as to the level of credits should be considered independently of the question of where the credits should be set. The following levels of clause-recoverable credits for Interruptible (“IS”), Curtailable (“CS”), and Standby Generation (“GSLM-2”) customers shall be in effect beginning with the first billing cycle of 2025:*

<u>Customer Type</u>	<u>Credit Level</u>
<u>IS</u>	<u>\$8.00/kw-month</u>
<u>CS</u>	<u>\$8.00/kw-month</u>
<u>GSLM-2</u>	<u>\$8.11 x C + \$0.10 x kwh monthly</u>

*No changes in these credits shall be implemented any earlier than the effective date of new DEF base rates implemented pursuant to a general base rate proceeding, and that such new IS/CS/GSLM-2 credits shall only be implemented prospectively from such effective date. At such time as DEF’s base rates are reset in a general base rate proceeding, the IS/CS/GSLM-2 credits shall be reset. In the next Demand Side Management goals and plan approval proceeding (currently anticipated to occur in 2029), DEF shall not propose to change the level of the credits.*

**ISSUE 12: What residential and commercial/industrial summer and winter megawatt (MW) and annual Gigawatt-hour (GWh) goals should be established for the period 2025- 2034?**

*DEF’s energy efficiency goals will reflect their proposed goals, plus an increase in participation for Neighborhood Energy Saver by 10% and an increase in the installation of smart thermostats from 10% to 40%. This results in the following goals for the 10-year period:*

2025-2034 Annual Goals									
Recommended Annual Goals (values at the generator)									
	Residential			Non-Residential			Total		
	WMW	SMW	GWH'S	WMW	SMW	GWH'S	WMW	SMW	GWH'S
2025	32	21	50	4	7	5	35	28	55
2026	32	21	51	3	7	5	35	28	56
2027	33	22	52	4	9	6	38	31	58
2028	34	22	53	4	9	6	38	31	59
2029	34	22	54	4	10	7	39	32	61
2030	33	22	53	4	9	6	37	31	59
2031	33	22	53	4	8	6	37	30	59
2032	33	22	54	5	8	5	38	30	59
2033	33	22	54	5	8	4	38	30	58
2034	33	22	54	5	8	4	38	29	58
<b>TOTAL</b>	<b>331</b>	<b>215</b>	<b>527</b>	<b>42</b>	<b>84</b>	<b>55</b>	<b>373</b>	<b>300</b>	<b>582</b>

**FPUC – Docket 20240015-EG**

The parties have agreed to Type II stipulations for all issues as follows:

**ISSUE 1: Are the utility’s proposed goals based on an adequate assessment of the full technical potential of all available demand-side and supply-side conservation and efficiency measures, including demand-side renewable energy systems?**

*Yes. The utility’s proposed goals are based on an assessment of the full technical potential of all available demand-side and supply-side conservation and efficiency measures as required by Section 366.82(3), F.S.*

**ISSUE 2: Are the utility’s proposed goals based on savings reasonably achievable through demand-side management programs over a ten year period?**

*Yes. The utility’s proposed goals are based on savings reasonably achievable through demand-side management programs over the period 2025-2034 as required by Rule 25-17.0021(1)(b), F.A.C.*

**ISSUE 3:**     **Do the utility’s proposed goals adequately reflect the costs and benefits to customers participating?**

*Yes. The utility’s proposed goals reflect the costs and benefits to customers of the proposed programs as required by Section 366.82(3)(a), F.S.*

**ISSUE 4:**     **Do the utility’s proposed goals adequately reflect the costs and benefits to the general body of rate payers as a whole, including utility incentives and participant contributions?**

*Yes. The utility’s proposed goals reflect the costs and benefits of the proposed programs to the general body of ratepayer as a whole as required by Section 366.82(3)(b), F.S.*

**ISSUE 5:**     **Do the utility’s proposed goals adequately reflect the need for incentives to promote both customer-owned and utility-owned energy efficiency and demand-side renewable energy systems?**

*Yes. The proposed goals reflect the need for incentives as required by Section 366.82(3)(c), F.S.*

**ISSUE 6:**     **Do the utility’s proposed goals adequately reflect the costs imposed by state and federal regulations on the emissions of greenhouse gases?**

*Yes. There are no current costs imposed by state and federal regulations on the emission of greenhouse gases to consider as required by Section 366.82(3)(d), F.S.*

**ISSUE 7:**     **Do the utility’s proposed goals appropriately reflect consideration of free riders?**

*Yes. The utility’s proposed goals reflect consideration of free riders in their program design as required by Rule 25-17.0021(3), F.A.C.*

**ISSUE 8:**     **Should demand credit rates for interruptible service, curtailable service, stand-by generation, or similar potential demand response programs be addressed in this proceeding or in the base rate proceedings for the rate regulated FEECA Utilities? If this proceeding, what demand credit rates are appropriate for purposes of establishing the utilities’ goals?**

*Demand credits are not included in FPUC’s proposed goals, and therefore this issue is moot.*

**ISSUE 12: What residential and commercial/industrial summer and winter megawatt (MW) and annual Gigawatt-hour (GWh) goals should be established for the period 2025-2034?**

*The Commission should adopt the goals based on the studies by witness Herndon, and the annual summer demand, winter demand, and annual energy savings should reflect the residential and commercial/industrial subtotals reflected on pages 3 and 4 of Exhibit JH-14.*

**ISSUE 13: What goals are appropriate for increasing the development of demand-side renewable energy systems?**

*The utility should continue to implement the provisions of Rule 25-6.065, F.A.C., Interconnection and Net Metering of Customer-Owned Renewable Generation. The rule is an appropriate means to encourage the development of demand-side renewable energy*

**XI. PENDING MOTIONS**

There are no pending motions at this time.

**XII. PENDING CONFIDENTIALITY MATTERS**

FPL

- DN 03340-2024 filed May 20, 2024: Request for confidential classification of [DN 03341-2024] information provided in response to Staff's 1st request for PODs (No. 2).
- DN 06837-2024 filed June 21, 2024: Request for confidential classification of [DN 06838-2024] information provided in response to FL Rising, ECOSWF, and LULAC's 1st request for PODs (Nos. 1 and 2).

DEF

- DN 04629-2024 filed June 5, 2024: DEF's Request for Confidential Classification concerning its Response to FL Rising & LULAC's First Set of Interrogatories (1-52) and First Request for Production of Documents (1-2).
- DN 07936-2024 filed July 29, 2024: DEF's Request for Confidential Classification concerning its Responses to Staff's Fifth Set of Interrogatories (Nos. 50-52).

**XIII. POST-HEARING PROCEDURES**

If no bench decision is made, each party shall file a post-hearing statement of issues and positions. A summary of each position, set off with asterisks, shall be included in that statement. If a party's position has not changed since the issuance of this Prehearing Order, the post-hearing

statement may simply restate the prehearing position; however, if the prehearing position is longer than 50 words, it must be reduced to no more than 50 words. If a party fails to file a post-hearing statement, that party shall have waived all issues and may be dismissed from the proceeding.

Pursuant to Rule 28-106.215, F.A.C., a party's proposed findings of fact and conclusions of law, if any, statement of issues and positions, and brief, shall together total no more than 50 pages, inclusive of attachments, and shall be filed at the same time.

#### **XIV. RULINGS**

Opening statements, if any, shall not exceed five minutes per party.

It is therefore,

ORDERED by Commissioner Art Graham, as Prehearing Officer, that this Prehearing Order shall govern the conduct of these proceedings as set forth above unless modified by the Commission.

By ORDER of Commissioner Art Graham, as Prehearing Officer, this 2nd day of August, 2024.



ART GRAHAM  
Commissioner and Prehearing Officer  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, Florida 32399  
(850) 413-6770  
www.floridapsc.com

Copies furnished: A copy of this document is provided to the parties of record at the time of issuance and, if applicable, interested persons.

NOTICE OF FURTHER PROCEEDINGS OR JUDICIAL REVIEW

The Florida Public Service Commission is required by Section 120.569(1), Florida Statutes, to notify parties of any administrative hearing or judicial review of Commission orders that is available under Sections 120.57 or 120.68, Florida Statutes, as well as the procedures and time limits that apply. This notice should not be construed to mean all requests for an administrative hearing or judicial review will be granted or result in the relief sought.

Mediation may be available on a case-by-case basis. If mediation is conducted, it does not affect a substantially interested person's right to a hearing.

Any party adversely affected by this order, which is preliminary, procedural or intermediate in nature, may request: (1) reconsideration within 10 days pursuant to Rule 25-22.0376, Florida Administrative Code; or (2) judicial review by the Florida Supreme Court, in the case of an electric, gas or telephone utility, or the First District Court of Appeal, in the case of a water or wastewater utility. A motion for reconsideration shall be filed with the Office of Commission Clerk, in the form prescribed by Rule 25-22.0376, Florida Administrative Code. Judicial review of a preliminary, procedural or intermediate ruling or order is available if review of the final action will not provide an adequate remedy. Such review may be requested from the appropriate court, as described above, pursuant to Rule 9.100, Florida Rules of Appellate Procedure.