

psBEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition for approval of 2025 demand-side management plan, by Orlando Utilities Commission.

DOCKET NO. 20240166-EG
ORDER NO. PSC-2025-0086-PAA-EG
ISSUED: March 24, 2025

The following Commissioners participated in the disposition of this matter:

MIKE LA ROSA, Chairman
ART GRAHAM
GARY F. CLARK
ANDREW GILES FAY
GABRIELLA PASSIDOMO SMITH

NOTICE OF PROPOSED AGENCY ACTION
ORDER APPROVING ORLANDO UTILITIES COMMISSION'S
DEMAND-SIDE MANAGEMENT PLAN

BY THE COMMISSION:

NOTICE is hereby given by the Florida Public Service Commission that the action discussed herein is preliminary in nature and will become final unless a person whose interests are substantially affected files a petition for a formal proceeding, pursuant to Rule 25-22.029, Florida Administrative Code (F.A.C.).

Background

Sections 366.80 through 366.8 and 403.519, Florida Statutes (F.S.), known collectively as the Florida Energy Efficiency and Conservation Act (FEECA), requires the Florida Public Service Commission (Commission or PSC) to adopt conservation goals to increase the efficiency of energy consumption. Additionally, FEECA emphasizes reducing the growth rates of weather-sensitive peak demand, reducing and controlling the growth rates of electricity consumption, reducing the consumption of expensive resources such as petroleum fuels, and encouraging demand-side renewable energy resources.

We most recently established conservation goals for the Orlando Utilities Commission (OUC) by Order No. PSC-2024-0433-FOF-EG (2024 Goalsetting Order), issued September 20, 2024, in Docket No. 20240017-EG.¹ On September 24, 2024, this order was amended by Order No. PSC-2024-0433A-FOF-EG to correct a scrivener's error.²

¹ Order No. PSC-2024-0433-FOF-EG, issued September 20, 2024, in Docket No. 20240017-EG, *In re: Commission review of numeric conservation goals (Orlando Utilities Commission)*.

² Order No. PSC-2024-0433A-FOF-EG, issued September 24, 2024, in Docket No. 20240017-EG, *In re: Commission review of numeric conservation goals (Orlando Utilities Commission)*.

On December 19, 2024, OUC filed its petition requesting approval of its Demand-Side Management (DSM) Plan and the associated program standards. As part of this filing, OUC provided a cost-effectiveness analysis of the proposed programs pursuant to Rule 25-17.008, F.A.C., for Commission approval. The analyses included the Participants Test, the Rate Impact Measure (RIM) Test, and the Total Resource Cost (TRC) Test.

We have jurisdiction over this matter pursuant to Sections 366.80 through 366.83 and 403.519, F.S.

Legal Standard

Section 366.82(7), F.S., requires that following the adoption of annual conservation goals, this Commission shall require each utility subject to FEECA to develop a DSM plan to meet its conservation goals. Rule 25-17.0021(4), F.A.C., requires each electric utility subject to FEECA to file its DSM plan, which consists of one or more DSM programs and program participation standards, for our approval.

We consider the appropriateness of DSM programs by evaluating the following criteria, first outlined in our Order No. 22176: (1) whether the program advances the policy objectives of FEECA and its implementing rules (such as reducing demand and energy usage); (2) whether the program is directly monitorable and yields measurable results; and, (3) whether the program is cost-effective. Pursuant to §366.82(7), F.S., we may then approve, modify, or deny the utility's DSM plan.

Decision and Analysis

We have reviewed OUC's proposed DSM Plan, including its demand and energy savings, cost-effectiveness, and rate impact. Overall, OUC's DSM Plan is consistent with the proposed programs used to establish the Utility's DSM goals and is projected to meet the FEECA annual numeric conservation goals that we approved in the 2024 Goalsetting Order. The programs included in OUC's proposed DSM Plan are also cost-effective based upon the Participants test, and the program participation standards appear to be consistent with OUC's DSM Plan as the programs are directly monitorable and measurable. For these reasons, as explained more fully below, we approve OUC's DSM Plan and associated program standards.

I. Demand-Side Management Plan

a. Description of Demand-Side Management Plan

As required by §366.82(7), F.S., and pursuant to Rule 25-17.0021(4), F.A.C., OUC filed its DSM Plan which consists of a total of six programs: three residential and three commercial/industrial. The programs proposed include the same measures as offered previously by OUC, but have been combined into fewer programs. A complete list of the programs and a brief description of each can be found in Attachment A to this Order.

We find the programs included in OUC's DSM Plan to be consistent with the proposed programs used to develop OUC's DSM goals in its 2024 goalsetting proceeding. We further find that the projected program demand and energy savings meet the goals established by us in the 2024 Goalsetting Order. These programs advance the policy objectives of FEECA.

b. Program Participation

OUC's submitted program participation and administrative standards are set forth in Attachment B to this Order. The projected program participation rates for the programs in OUC's DSM Plan are consistent with the participation rates provided for the proposed programs used to develop its DSM goals. We find that the DSM Plan programs are directly monitorable and measurable. OUC is responsible for monitoring actual participation rates and seeking Commission action, if necessary, to modify, add, or remove programs and/or standards, as necessary, to meet the annual conservation goals.

c. Cost-Effectiveness Review

As required by Rule 25-17.008, F.A.C., OUC provided cost-effectiveness analyses for the programs included in its DSM Plan using the Participants, Rate Impact Measure (RIM), and the Total Resource Cost (TRC). All of OUC's DSM programs passed the Participants test and Commission staff noted that the cost-effectiveness of the DSM programs overall is consistent with the cost-effectiveness analyses results provided for the proposed programs which were used to develop OUC's DSM goals in its 2024 goalsetting proceeding. "[W]e have flexibility in how we interpret and apply the cost-effectiveness tests required pursuant to Rule 25-17.008, F.A.C."³ Furthermore, cost-effectiveness is but one of the factors we weigh when analyzing DSM programs.⁴

d. Rate Impact

Table 1 below shows an estimate of the monthly rate impact on the typical residential OUC customer over the 2025 through 2034 period:

³ Order No. PSC-2020-0274-PAA-EG, issued August 3, 2020, in Docket Nos. 20200053-EG, 20200054-EG, 20200055-EG, 20200056-EG, & 20200060-EG, *In re: Petition for approval of demand-side management plan, by Tampa Electric Company, In re: Petition for approval of proposed demand-side management plan, by Duke Energy Florida, LLC, In re: Petition for approval of proposed demand-side management plan, by Gulf Power Company, In re: Petition for approval of demand-side management plan and request to modify residential and business on call tariff sheets, by Florida Power & Light Company, & In re: Petition for approval of demand-side management plan, by Company*, p. 4.

⁴ See Order No. PSC-2019-0509-FOF-EG, issued November 26, 2019, in Docket No. 20190015-EG, *In re: Commission review of numeric conservation goals (Florida Power & Light Company)*, pp. 8–10 (finding that despite demand-side renewable energy systems not being cost-effective, continued encouragement of those systems through net metering practices nonetheless furthered FEECA); Order No. PSC-97-0528-FOF-EG, issued May 7, 1997, in Docket No. 960624-EG, *In re: Petition for approval of Green Pricing Research and Development Project by Florida Power & Light Company*, pp. 1–2 (approving not cost-effective DSM program involving photovoltaic modules when program could ultimately contribute to commercialization of renewable technologies or stimulate economic and technological growth in renewable technologies).

Table 1
OUC DSM Plan Estimated Monthly Rate Impact

Year	Residential Customer Rate Impact (\$/1,200 kWh-mo.)
2025	0.42
2026	0.44
2027	0.45
2028	0.45
2029	0.46
2030	0.46
2031	0.47
2032	0.47
2033	0.47
2034	0.48

Source: OUC's Response to Staff's First Data Request

e. Conclusion

Based upon the record before us, we find that OUC's DSM Plan is consistent with the proposed programs used to establish its DSM goals and is projected to meet the FEECA annual numeric conservation goals approved by us in the 2024 Goalsetting Order. The programs included in OUC's proposed DSM Plan are also cost-effective based upon the Participants test. In addition, the program participation standards appear to be consistent with OUC's DSM Plan and the programs are directly monitorable and measurable. Therefore, we approve OUC's DSM Plan and program standards.

The costs to implement the programs within OUC's DSM Plan will be established by the municipal utility's governing body. OUC's local governing body will make its own determination as to whether expenditures are reasonable and prudent. OUC shall notify us prior to modifying its DSM Plan or program standards.

Based on the foregoing, it is

ORDERED that Orlando Utility Commission's Demand-Side Management Plan, as described in Attachment A, is approved. It is further

ORDERED that Orlando Utility Commission's program participation standards, as described in Attachment B, are consistent with its Demand-Side Management Plan and are approved. It is further

ORDERED that Orlando Utility Commission is responsible for monitoring actual participation rates and petitioning this Commission, if necessary, to modify, add, or remove programs and/or standards as necessary to meet the annual conservation goals. It is further

ORDERED that the provisions of this Order, issued as a proposed agency action, shall become final and effective upon the issuance of a Consummating Order unless an appropriate petition, in the form provided by Rule 28-106.201, F.A.C., is received by the Commission Clerk, 2540 Shumard Oak Blvd., Tallahassee, Florida 32399-0850, by the close of business on the date set forth in the "Notice of Further Proceedings" attached hereto. It is further

ORDERED that in the event this Order becomes final, this docket shall be closed.

By ORDER of the Florida Public Service Commission this 24th day of March, 2025.



ADAM J. TEITZMAN
Commission Clerk
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 that is available under Section 120.57, 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 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.

The action proposed herein is preliminary in nature. Any person whose substantial interests are affected by the action proposed by this order may file a petition for a formal proceeding, in the form provided by Rule 28-106.201, Florida Administrative Code. This petition must be received by the Office of Commission Clerk, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, by the close of business on April 14, 2025.

In the absence of such a petition, this order shall become final and effective upon the issuance of a Consummating Order.

Any objection or protest filed in this/these docket(s) before the issuance date of this order is considered abandoned unless it satisfies the foregoing conditions and is renewed within the specified protest period.

Orlando Utilities Commission Program Descriptions

RESIDENTIAL PROGRAMS

Residential Existing Home Rebates Program

The program is designed to provide rebates and efficiency upgrades to owners of residential homes. This program is available to all customers regardless of housing type as long as applicable rebate criteria are met.

Residential Efficiency Delivered Program

Previously known as the ‘Home Energy Fix-up Program’ and the ‘Efficiency Delivered Program’, this program is available to residential customers and provides support for up to \$2,500 of energy and water efficiency upgrades based on the assessed needs of the customer’s home and the customer’s income status. The program is an income-based program, where OUC determines its contribution toward the cost of improvements utilizing three household income tiers:

Household Income	OUC Contribution
Less than \$40,000	85% of total cost, not exceeding \$2,125
\$40,001-\$60,000	50% of total cost, not exceeding \$1,250
Greater than \$60,001	Rebates only

Residential New Home Rebates Program

The program provides a flexible “a la carte” program through which a builder or home buyer can select any or all of the measures available through OUC’s Residential DSM Programs. This program structure has evolved from earlier DSM program offerings based on feedback from the residential building community and OUC’s efforts to streamline the marketing and administration of all of its residential DSM programs and measure offerings.

COMMERCIAL/INDUSTRIAL PROGRAMS

Commercial/Industrial Prescriptive Rebates Program

This program is designed to provide rebates and efficiency upgrades to Commercial/Industrial customers. Any combination of offered measures can be taken advantage of through submitting an application or by calling an OUC customer service representative.

Commercial/Industrial Lighting Rebates Program

Through a broad suite of lighting measures, OUC will continue providing rebates to support the same efficient lighting measures that have historically been supported through programs included in OUC’s 2020 DSM Plan and earlier offerings. The measures offered are available through OUC’s Commercial/Industrial Prescriptive Rebates Program, Commercial/Industrial Lighting Rebates Program, and Commercial/Industrial Custom Incentive Rebates Program.

Commercial/Industrial Custom Incentive Rebates Program

This program is designed to encourage electric demand reductions that go above and beyond the efficiency gains typically achieved in retrofit or replacement projects. Consequently, demand savings credit is based only on reductions that exceed current state and federal minimum efficiency standards, wherever such standards (e.g., Florida's Energy Efficient Building Code Standards) apply. In cases where these standards do not exist, savings credit is based on improvements relative to a customer's electric demand prior to participating in the program

Orlando Utilities Commission Program Standards

RESIDENTIAL PROGRAMS

Residential Existing Home Rebates Program

Customers are eligible to participate in the Residential Existing Home Rebates Program regardless of housing type as long as applicable rebate criteria are met. Customers can initiate participation in this program by scheduling a Home Energy Survey, by calling a customer service representative at OUC, or by submitting an application online to take advantage of any of the measures offered through the Residential Existing Home Rebates Program. As applicable to specific measures, proofs of purchase and/or receipts are required to be attached to the application, and repairs can be performed by a contractor or by the customer. Participation is tracked based on the number of rebates processed; typically, these rebates are credited to the customer's bill, or a check can be processed and sent to the property owner who may have paid for the improvements associated with measures selected by the customer.

Residential Efficiency Delivered Program

Residential customers whose account status designation is not delinquent are eligible to participate in the Residential Efficiency Delivered Home Program. To participate in the Residential Efficiency Delivered Program, a customer must request and complete a free Residential Home Energy Survey.

Efficiency Delivered contractor(s) are selected through a Request for Proposal (RFP) procurement process conducted routinely by OUC. Eligible customers are referred to the participating contractor after a completed inspection by the OUC Conservation Specialist. The Efficiency Delivered contractor then visits the home and creates a proposal to install eligible measures outlined in the inspection results. Once the customer accepts the proposal and signs the agreement the contractor calls the customer and schedules the work. Typically, the work is completed within 45 days. Upon OUC's receipt of notice of completion and customer acceptance from the contractor, payment to the contractor is processed and the customer's share of the conservation improvements cost is billed. Participation totals are tracked based on completed installations.

Residential New Home Rebates Program

Homebuilders or customers can obtain and install eligible measures. The builder or customer then submits proofs of purchase of the eligible measures, and OUC processes a rebate check and mails it to the builder or customer. Participation is tracked based on the number and type of rebates processed.

COMMERCIAL/INDUSTRIAL PROGRAMS

Commercial/Industrial Prescriptive Rebates Program

Commercial and Industrial customers in good standing can participate in the Commercial/Industrial Prescriptive Rebates Program. Customers can initiate participation in this program for whatever combination of measures they choose by calling a customer service representative at OUC or by submitting an application online to take advantage of any of the measures offered through the Program. As applicable to specific measures, proofs of purchase and/or receipts are required to be attached to the application, and repairs or installation of qualifying equipment can be performed by a contractor or by the customer. Participation is tracked based on the number of rebates processed; typically, these rebates are credited to the customer's bill, or a check can be processed and sent to the business owner who may have paid for the improvements associated with measures selected by the customer.

Commercial/Industrial Lighting Rebates Program

Commercial and Industrial customers in good standing can participate in the Commercial/Industrial Lighting Rebates Program. Customers can initiate participation in this program for whatever combination of measures they choose by calling a customer service representative at OUC or by applying online to take advantage of any of the measures offered through the Program. As applicable to specific measures, proofs of purchase and/or receipts are required to be attached to the application, and repairs or installation of qualifying equipment can be performed by a contractor or by the customer. Participation is tracked based on the number of rebates processed; typically, these rebates are credited to the customer's bill, or a check can be processed and sent to the business owner who may have paid for the improvements associated with measures selected by the customer.

Commercial/Industrial Custom Incentive Rebates Program

Commercial and Industrial customers can participate in the Commercial/Industrial Custom Incentive Rebates Program. Customers can initiate participation in this program for whatever combination of measures they choose by calling a customer service representative at OUC or by submitting an application online to take advantage of any of the measures offered through the Program. As applicable to specific measures, proofs of purchase and/or receipts are required to be attached to the application, and repairs or installation of qualifying equipment can be performed by a contractor or by the customer. Participation is tracked based on the number of rebates processed; typically, these rebates are credited to the customer's bill, or a check can be processed and sent to the business owner who may have paid for the improvements associated with measures selected by the customer.