

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

IN RE: Repeal of Rule 25-17.002,))
 Goals for electric utilities))
 _____))

DOCKET NO. 820517-EU
 ORDER NO. 22758
 ISSUED: 4-2-90

NOTICE OF REPEAL OF RULE

NOTICE is hereby given that the Commission, pursuant to Section 120.54, Florida Statutes, has repealed Rule 25-17.002, Florida Administrative Code, relating to conservation goals for electric utilities without change.

The rule repeal was filed with the Secretary of State on March 15, 1990 and will be effective on April 2, 1990. A copy of the relevant portions of the certification filed with the Secretary of State is attached to this notice.

This docket is closed upon issuance of this notice.

By Direction of the Florida Public Service Commission,
 this 2nd day of APRIL, 1990.



 STEVE TRIBBLE Director
 Division of Records and Reporting

(S E A L)
 SBr/6304L

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CERTIFICATION OF
PUBLIC SERVICE COMMISSION ADMINISTRATIVE RULES
FILED WITH THE
DEPARTMENT OF STATE

I do hereby certify:

- (1) The time limitations prescribed by paragraph 120.54(11)(a), F.S., have been complied with; and
- (2) There is no administrative determination under section 120.54(4), F.S., pending on any rule covered by this certification; and
- (3) All rules covered by this certification are filed within the prescribed time limitations of paragraph 120.54(11)(b), F.S. They are filed not less than 28 days after the notice required by subsection 120.54(1), F.S., and;
- (a) And are filed not more than 90 days after the notice; or
- (b) Are filed not more than 90 days after the notice not including days an administrative determination was pending; or
- (c) Are filed within 21 days after the adjournment of the final public hearing on the rule; or
- (d) Are filed within 21 days after the date of receipt of all material authorized to be submitted at the hearing; or
- (e) Are filed within 21 days after the date the transcript was received by this agency.

Attached are the original and two copies of each rule covered by this certification. The rules are hereby adopted by the undersigned agency by and upon their filing with the Department of State.

SUMMARY OF RULE

Rule 25-17.002, Florida Administrative Code, was originally enacted in 1980 to implement the Florida Energy Efficiency and Conservation Act (FEECA), Chapters 366.81-.85 and 403.519, Florida Statutes. The rule sets forth methodology to determine statewide conservation goals in addition to providing a procedure for apportionment of these statewide goals among individual electric utilities. These goals are rebuttably applicable to each individual utility for the period 1981 to 1985. Goals for each utility are set by Commission order, as are any specific conservation program approvals or modifications. In addition, Rule 25-17.002 encourages oil use reduction and sets reduction goals of 25 percent by 1989, so that total electric utility consumption in Florida does not exceed 58,734,000 barrels in 1990.

The methodology prescribed in the rule sets numerical targets for the 1980's only. As a result, future conservation goals for the electric utilities cannot be determined under the rule as it now exists. In addition, FEECA was expanded in the last legislative session to encourage the further development of cogeneration facilities and to encourage the control of, as well as a reduction in, electric utility growth rates.

The repeal of the rule will allow the Commission to implement conservation goals consistent with both the existing and new statutory requirements.

FACTS AND CIRCUMSTANCES JUSTIFYING THE RULE

The methodology prescribed in the current rule sets numerical targets for the 1980's only. Future conservation

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goals for electric utilities cannot be determined under the rule as it now exists. This rule should be repealed and conservation goals consistent with the goals expressed in existing Rule 25-17.001, Florida Administrative Code, should be adopted.

SUMMARY OF HEARINGS ON THE RULE

No protest was filed therefore, no hearings were held in the rule proceeding.

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Rule No.
25-17.002

Specific
Rulemaking
Authority
§§ 366.05(1);

Law Being Implemented,
Interpreted or
Made Specific
§ 366.82(1)-(4), F.S.

366.82(1)-(4), F.S.

25-17.004

§§ 366.05(1);

§ 366.82(1)-(4), F.S.

366.82(1)-(4), F.S.

Under the provisions of paragraph 120.54(13)(a), F.S., the rules take effect 20 days from the date filed with the Department of State or a later date as set out below:

Effective: April 2, 1990
(month) (day) (year)

Kay Flynn for

STEVE TRIBBLE, Director
Division of Records and Reporting

Number of Pages Certified

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DEPARTMENT OF STATE
TALLAHASSEE, FLORIDA

Electrical Power Plant Siting Act, the Commission shall take these relationships into account so that sufficient capacity will be authorized to meet anticipated needs. These goals represent a starting point for establishing energy conservation programs for all electric utilities. There is no absolute assurance that these goals will be fully achieved within the expected time frames, although the best efforts by the electric utilities to achieve them will be required. In any proceeding for determining whether new capacity is needed, the length and nature of experience under the goals will be considered. The goals will not be used exclusively because the Commission recognizes that they may not be achieved and that the estimates on which they are based may be incorrect. To increase the accuracy of these estimates the Commission anticipates that intensive and extensive research will be required, including both technological research and studies of the market penetration potentials of various conservation measures and their effectiveness in reducing KW demand and KWH consumption as well as studies of consumer behavior.

(5) Rules 25-17.001 through 25-17.005 shall not be construed or applied to restrict growth in the supply of electric power or natural gas necessary to support economic development by industrial or commercial enterprises. Rather, these rules should be construed as enhancing job-producing economic growth by lowering energy costs from what they otherwise would be if these goals were not achieved. *Statute Authority 366.05(1), 366.82(1)-(4) FS. Law 12-2-80, Amended 366.82(1)-(4) FS. History—New 12-2-80, Amended 12-30-82, Formerly 25-7.01.*

25-17.002 Goals for Electric Utilities.

(1) The first five-year goal for the electric utility sector of the State of Florida is to develop and begin to implement programs on a utility system by utility system basis by January 1, 1981, which will reduce the growth rates of end use weather sensitive peak kilowatt (KW) demand and of kilowatt hour (KWH) consumption to an average of 72.5% and 75%, respectively, of the 3-year moving average growth rate in the average number of residential customers for the 1981 through 1989 period modified by the phase-in procedure mentioned in (1)(d) and (1)(e). The goals for the state as a whole shall be calculated as described in this subsection and implementation targets calculated as described in subsection (2), corrected as described in subsections (3) and (4). Each utility shall then determine the goals rebuttably presumed applicable to its system by applying the same calculation methods to the data for its system.

The growth rate goals for end use KW demand

and KWH consumption shall be calculated from three-year rolling averages as follows:

(a) List the annual average number of residential customers for 1977 through 1989.

(b) Calculate the percentage increase over the prior year for residential customers for 1978 through 1989.

(c) Calculate a three-year moving average of growth rates in residential customers for 1981 through 1989. For example, the 1981 value is the numerical average of the percentage increases over the prior years calculated in paragraph (b) for 1978, 1979, and 1980.

(d) Calculate the end-use KW demand target growth rates for 1981 through 1989 by substituting in the equation:

$P(1-0.55y/9)$ = target growth rate, where P = the three-year rolling average for the year of interest and y = the last digit of that year.

(e) Calculate the end use KWH consumption target growth rates for 1981 through 1989 by substituting in the equation:

$P(1-0.5y/9)$ = target growth rate, where P = the three year rolling average for the year of interest and y = the last digit of that year.

(2) Calculate the target levels of 1981 through 1989 summer and 1980-81 to 1988-89 winter end use KW demand and 1981 through 1989 end use KWH consumption by applying the target growth rates calculated in paragraphs (1)(a) through (1)(e) to the actual 1979-80 winter peak and 1980 actual summer peak and KWH consumption. The targets shall be recalculated annually using the latest residential customer growth rates and projections.

(3) Each utility may adjust the results obtained in subsections (1) and (2) by removing portions of the KWH and system coincident KW demands provided:

(a) The utility can demonstrate that enhanced economic activity or increases in the energy consumed for environmental protection will result in the utility not being able to achieve its goals;

(b) The utility individually reports each customer's 5 year historical KW demand and KWH consumption and an annual update of the KW demand and KWH consumption so removed; and

(c) The utility certifies that each customer, whose KW and KWH are so removed, has been individually advised by a professional engineer on how to reduce its system coincident KW demand.

(4) If the population supplied by a generating utility changes significantly because of changes in purchasing patterns by purchasing utilities, appropriate adjustments may be made by the Commission.

(5) The figures obtained as provided in subsections (1) through (4) for each utility are rebuttably presumed to be the goals and implementation targets for each utility for the period 1981 through 1985. The burden is on each utility to rebut the presumptive goals calculated for that system. The burden is also on each utility to demonstrate unusual customer mixes or other unusual or unique circumstances.

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demand and KWH consumption goals may be constructed to the extent cost effective.

(7) The Commission shall set goals and approve programs and program modifications for each utility by order on the general basis of Rules 25-17.001 through 17.005, taking the particular facts and circumstances applicable to each utility into account.

Specific Authority 366.05(1), 366.82(1)-(4) FS. Law Implemented 366.82(1)-(4) FS. History—New 12-2-80, Amended 1-19-82, 12-30-82, Formerly 25-17.02

25-17.003 Energy Audits; Related Provisions.

(1) Purpose: This rule specifies the minimum requirements for performing energy audits by each utility subject to the requirements of this rule.

(2) Applicability: This rule applies to each utility as defined in § 366.82(1), F. S.

(3) Definitions:

(a) "Alternative (Walk-Through) Audit" means an energy audit as defined in Chapter 25-17.051(8), F. A. C.

(b) "Commercial Audit" means an energy analysis of a commercial building and its associated energy systems to determine its energy efficiency and to identify for the customer those cost effective measures which may improve its energy efficiency.

(c) "Energy Conservation Audit" means an energy audit as defined in Chapter 25-17.051(6), F. A. C.

(d) "Industrial Audit" means an energy analysis of an industrial facility and its associated energy systems to determine its energy efficiency and to identify for the customer those cost effective measures which may improve its energy efficiency.

(4) Each utility shall notify its residential, commercial, and industrial customers of the availability of energy audits at least once every six months. Notification of audit availability, at a minimum, must be made by use of notices in billing statements or other means that involves direct notification to the customer. The announcement of the Residential Conservation Audits as required in Chapter 25-17.053(3)(c) can count as one of the biannual notifications for the residential customers.

(5) For each customer requesting either an Energy Conservation Audit or an Alternative Audit, each utility shall provide the requested audit to the customer in accordance with the provisions of Chapter 25-17.051 through 25-17.065, F. A. C.

(6) For each customer requesting either a Commercial Audit or an Industrial Audit, each utility shall provide or arrange to provide the requested audit to the customer within 120 days of the date the customer makes the request. The utility

EVALUATION

may recover the actual expenses incurred by providing audits from those commercial or industrial customers requesting such audits.

(7) In lieu of the performance of energy audits as stated above, each utility may perform energy audits as follows:

By January 1, 1982, the overall annual rate for energy audits shall be 150,000; by January 1, 1984, the overall rate shall be 250,000. Each electric utility shall determine the portion of these goals applicable to it by January 1, 1982, by multiplying the number of residential customers on its system who consumed over 9,000 KWH during 1979 by 142,012 and dividing the result by the total number of such customers in the state; and by January 1, 1984, use the same formula but multiply by 236,672.

Specific Authority 366.05(1), 350.127(2) FS. Law Implemented 366.82(5) FS. History—New 12-2-80, Amended 12-30-82, Formerly 25-17.03, Amended 11-24-86.

25-17.004 Goals for Natural Gas Utilities.

(1) Natural gas and electric utility systems shall promote the use of natural gas as a substitute for oil or oil derived energy where to do so is cost effective within Florida. The annual increase in the number of high priority end users should be at least 2% by January 1, 1983 and 3% by December 31, 1985. By 1989, natural gas utilities should have enough high priority end users to absorb any gas which becomes available as a result of the Fuel Use Act, as amended.

(2) Natural gas utilities shall pursue aggressively those steps at the federal level that will result in more gas becoming deliverable to Florida customers of all classes in order to displace oil.

(3) Natural gas utilities shall increase their leak detection, cathodic protection and similar maintenance programs to such an extent that unaccounted-for gas does not exceed 1 1/2%.

(4) The residential conservation service audit and other consumer programs shall have the goal of reducing average residential customer usage of natural gas for space and water heating by 26% from 1980 usage levels by 1985 for those customers implementing cost effective conservation measures.

(5) Customer response to audits shall be 7,988 by January 1, 1982 and 13,328 by January 1, 1984 with goals computed using the same methodology as required for electric utilities by 25-17.003(1) for customers whose usage exceeds 400 therms in the base years. The audit programs shall concentrate on the largest usage customers as first priority.

Specific Authority 366.05(1), 366.82(1)-(4) FS. Law Implemented 366.82(1)-(4) FS. History—New 12-2-80, Amended 12-30-82, Formerly 25-17.04.

25-17.005 Evaluation of Electric Utility Conservation Efforts.

(1) This rule defines terminology, establishes reporting requirements and describes the method used to determine whether an electric utility has met its conservation goals; and it establishes reporting requirements to enable the Commission to monitor