

## BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition for Approval of General )	DOCKET NO. 900948-EG
Service Load Control Trial Project by )	
Florida Power & Light Company )	ORDER NO. 24166
)	
)	ISSUED: 2/26/91

The following Commissioners participated in the disposition of this matter:

THOMAS M. BEARD, Chairman  
 BETTY EASLEY  
 FRANK S. MESSERSMITH  
 MICHAEL MCK. WILSON

NOTICE OF PROPOSED AGENCY ACTIONORDER APPROVING LOAD CONTROL TRIAL PROJECT

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 adversely affected files a petition for a formal proceeding, pursuant to Rule 25-22.029, Florida Administrative Code.

On November 14, 1989, the Commission issued Order No. 22176 in Docket No. 890737-PU, which directed electric utilities to submit updated conservation plans and programs within 90 days. In response to that order, Florida Power and Light Company ("FPL") submitted its "Demand Side Management Plan for the 90's" on February 12, 1990, which included an air conditioning load control program for smaller commercial or industrial customers. FPL envisioned a trial project in order to test the viability of a permanent air conditioning load control program.

On November 29, 1990, FPL petitioned the Commission for approval of a General Service Load Control Trial Project targeted at controlling the air conditioning load of up to 50 commercial or industrial customers with a demand of 20 kW or less ("GS-1" customers). According to FPL, all customers participating in the trial project will receive an incentive payment based on air conditioning tonnage. At the conclusion of the trial project, FPL will determine whether to petition the Commission for a systemwide GS load control program.

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Up to 50 of FPL's Dade County customers in the GS-1 class will participate in the trial project. Participants must receive service from a substation which has load control equipment presently in place. There will be no load control equipment purchased specifically for this trial project. Equipment used for the residential On Call program will be used for qualifying GS-1 participants.

The trial project will last approximately 21 months. Load control equipment will be in place for 12 months. Participants' air conditioning load will be controlled for the seven month period April - October, although the utility will monitor the air conditioning load during the remaining five months of the year in order to determine whether air conditioning for GS-1 customers represents a large enough coincident peak load during the winter months to warrant extension of load control. FPL may interrupt participants' air conditioning load between 2 p.m. and 10 p.m. for a cumulative total of 10 minutes during any 30 minute period. The maximum cumulative interruption time per day is 120 minutes. Participants will receive a monthly incentive payment of \$2.00 per ton of air conditioning, which will be paid by check for the seven months during which air conditioning load is controlled.

In Order No. 22176 we stated that conservation programs will be judged by the following criteria: (1) whether the program advances the policy objectives set forth in Rule 25-17.001, Florida Administrative Code and the Florida Energy Efficiency and Conservation Act ("FEECA"); (2) whether the program is directly monitorable and yields measurable results; (3) whether the program is cost effective.

As a trial project, the program is not and cannot be made cost effective. In support of its proposal, the utility submitted a cost effectiveness analysis which assumed that the program would be continued as a permanent program and additional participants would be recruited. Our review of the utility's petition is based on the analysis provided by FPL and on the assumption that the trial project will lead to a permanent GS-1 Load Control Program.

We believe that the program will advance the objectives of both Rule 25-17.001, Florida Administrative Code, and FEECA. The program appears to be monitorable and should yield measurable results. The load control equipment used can measure and record demand during any time period. This will allow the utility to determine the effectiveness of the trial project and whether a systemwide program is viable.

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The program's overall cost effectiveness is positive under the cost effectiveness calculation prescribed in Rule 25-17.008, Florida Administrative Code, which was provided in FPL's petition. This analysis indicates the program has positive net savings under both the all-customer test and the Florida societal benefit test.

The trial project does not involve billing credits or reduced rates and therefore it will not be tarified. The use of a monthly check to dispense the incentive is acceptable because FPL will selectively offer this program to a small number of customers. However, a permanent GS load control program, should one be proposed, must utilize billing credits or a reduced rate similar to other FPL load control programs.

At Commission Staff's request, FPL amended the terms and conditions of its petition regarding the calculation of air conditioning tonnage. The original petition provided that the calculated air conditioning tonnage be "rounded to a non-fractional number", which could have resulted in some participants receiving a lower payment. The amended language provides that the calculated tonnage be "rounded to the nearest half-ton." FPL estimates trial project costs of \$235,000.

We find that the trial project should be approved as part of FPL's "Demand Side Management Plan for the 90's" and that the utility should recover its associated costs through the energy conservation cost recovery docket.

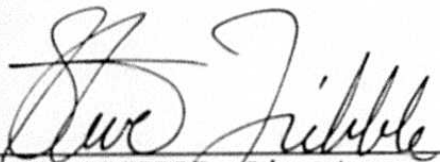
It is therefore

ORDERED by the Florida Public Service Commission that the General Service Load Control Trial Project proposed by Florida Power & Light Company is hereby approved. It is further

ORDERED that Florida Power & Light Company may recover reasonable and prudent trial project expenditures of no more than \$235,000, which shall be recovered through the conservation cost recovery docket.

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By ORDER of the Florida Public Service Commission, this 26th  
day of FEBRUARY, 1991.

  
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STEVE TRIBBLE, Director  
Division of Records and Reporting

( S E A L )  
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NOTICE OF FURTHER PROCEEDINGS OR JUDICIAL REVIEW

The Florida Public Service Commission is required by Section 120.59(4), 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.

The action proposed herein is preliminary in nature and will not become effective or final, except as provided by Rule 25-22.029, Florida Administrative Code. Any person whose substantial interests are affected by the action proposed by this order may file a petition for a formal proceeding, as provided by Rule 25-22.029(4), Florida Administrative Code, in the form provided by Rule 25-22.036(7)(a) and (f), Florida Administrative Code. This petition must be received by the Director, Division of Records and Reporting at his office at 101 East Gaines Street, Tallahassee, Florida 32399-0870, by the close of business on March 19, 1991.

In the absence of such a petition, this order shall become effective on the day subsequent to the above date as provided by

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Rule 25-22.029(6), Florida Administrative Code.

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

If this order becomes final and effective on the date described above, any party adversely affected may request judicial review by the Florida Supreme Court in the case of an electric, gas or telephone utility or by the First District Court of Appeal in the case of a water or sewer utility by filing a notice of appeal with the Director, Division of Records and Reporting and filing a copy of the notice of appeal and the filing fee with the appropriate court. This filing must be completed within thirty (30) days of the effective date of this order, pursuant to Rule 9.110, Florida Rules of Appellate Procedure. The notice of appeal must be in the form specified in Rule 9.900(a), Florida Rules of Appellate Procedure.