BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

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In Re: Petition for approval of Florida Power & Light Company's Residential Solar Energy Demand Side Management Activities. DOCKET NO. 900091-EG ORDER NO. 24391 ISSUED: 4/18/91

The following Commissioners participated in the disposition of this matter:

THOMAS M. BEARD, Chairman J. TERRY DEASON BETTY EASLEY GERALD L. GUNTER MICHAEL McK. WILSON

NOTICE OF PROPOSED AGENCY ACTION

ORDER APPROVING CERTAIN CONSERVATION PROGRAMS

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 February 12, 1990 Florida Power and Light Company (FPL) filed its "Demand Side Management Plan for the 1990s" in response to Commission Order No. 22176. FPL proposed to amend the existing Conservation Water Heating Program by discontinuing the solar water heating portion of that program. In support of that proposal FPL indicated that the solar water heating portion of the program was no longer cost effective to the general body of ratepayers, and therefore should be discontinued. On October 2, 1990 the Commission issued Proposed Agency Action Order No. 23560, approving FPL's demand side plan subject to certain conditions.

On October 23, 1990, two petitions were filed requesting formal proceedings on a limited aspect to Order No. 23560; (1) the Joint Petition of the Independent Savings Plan Company, Solar City, Inc. and Solar Heating Systems; and, (2) the petition of the Florida Solar Energy Industries Association. The petitions requested formal proceedings on Order No. 23560, but only to that portion of FPL's conservation plan that would eliminate the solar

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water heating incentives in the Conservation Water Heating Program. Thereafter the parties filed a joint petition requesting deferral of further action in this docket for 180 days. On October 24, 1990 Order No. 23667 was issued granting that request and deferred further action on the issue of solar water heating incentives.

Subsequently, FPL petitioned the Commission for a 180-day extension of the solar water heating incentive provisions of the program. The extension was to coincide with the time period of Order No. 23667 to allow a transition period for the solar industry, and to proved FPL time to investigate possible program changes that could make the program cost effective. The Commission issued Order No. 23814 on November 29, 1990 approving the petition.

On December 14, 1990, FPL apparently revised its earlier position and petitioned the Commission for approval to continue the solar water heating incentive provision of the Residential Conservation Water Heating Program. In addition in that petition, FPL requested approval of the Residential Photovoltaic Pool Pump program.

Residential Photovoltaic Pool Pump (PVPP) Research Project

According to FPL, this program will examine the use of solar photovoltaic (PV) panels to power residential swimming pool pumps. Approximately 20 systems are expected to be installed. In addition, existing alternating current (AC) pool pumps currently at the participants' premises will be replaced by smaller direct current (DC) pumps. The DC pumps will be driven directly by either the PV panels or by a combination PV panel/battery system in which the batteries will be charged by the PV panels. According to FPL, of the 20 installations a majority will consist of the PV "stand alone" panel systems.

FPL states in the petition that it will work with the Florida Solar Energy Industries Association (FLASEIA), and the Florida Solar Energy Center (FSEC) in the installation and monitoring of the project. The trial project will last 21 months with costs expected at \$200,000.

FPL requests that all cost of this trial project be recovered through the energy conservation cost recovery (ECCR) clause. In Order No. 22176, the Commission 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, F.A.C.,

and the FEECA statute; (2) whether the program is directly monitorable and yields measurable results; (3) whether the program is cost effective.

Since the program is only a 21-month research project, a measurement of cost effectiveness would be difficult to determine. Therefore, the cost-effectiveness test will be deferred until FPL files a request for permanent implementation of the PVPP Program.

After reviewing the petition and supporting documentation, we find that the program will advance the objectives of Rule 25-17.001, F.A.C., and Sections 366.80-366.85, Florida Statutes, (FEECA). The program appears to be monitorable and should yield measurable results.

Residential Conservation Water Heating Program

FPL's current petition states that the solar portion of the Conservation Water Heating Program is not projected to be costeffective, however its analysis indicates that the program should be continued because it assists in the development of a renewable resource, which will help promote the policy objectives found in Rule 25-17.001, Florida Administrative Code, and FEECA.

We find that this program, as represented by FPL, will promote the objectives of Subsection 366.82(2), Florida Statutes, by reducing and controlling the growth rates of electric consumption. In addition, the program will also advance the policy objectives of FEECA, because it is a renewable resource.

In consideration of the foregoing, it is

ORDERED by the Florida Public Service Commission that the petition of Florida Power & Light Company for approval of certain proposed energy conservation programs, as described in the body of this Order, are approved. It is further

ORDERED that this Order shall become final and the docket closed unless an appropriate petition for formal proceeding is received by the Division of Records and Reporting, 101 East Gaines Street, Tallahassee, Florida 32399-0870, by the close of business on the date indicated in the Notice of Further Proceedings or Judicial Review.

By ORDER of the Florida Public Service Commission, this 18th day of <u>APRIL</u>, <u>1991</u>.

STEVE TRIBBLE / Director Division of Records and Reporting

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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, the close of business on Florida 32399-0870, by May 9, 1991

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