

# ORIGINAL

BEFORE THE  
FLORIDA PUBLIC SERVICE COMMISSION  
DOCKET NO. 040034-EG  
Direct Testimony of  
ROBERT L. SMITH

On Behalf of  
FLORIDA PUBLIC UTILITIES COMPANY

1 Q. Please state your name and business address.

2 A. Robert L. Smith: my business address is 401 S. Dixie  
3 Highway, West Palm Beach, Florida 33401.

4 Q. By whom are you employed and in what capacity?

5 A. I am employed by Florida Public Utilities Company as  
6 Director of Business Development.

7 Q. What is the purpose of your testimony?

8 A. I am primarily responsible for presenting the programs  
9 which would be implemented to meet the goals which we  
10 are proposing in our plan but I also introduce the  
11 numeric goals we propose.

12 Q. Would you explain the programs you are proposing?

13 A. Yes. We are proposing eleven programs. Of those,  
14 seven are existing programs which were approved in our  
15 2001 DSM Plan and four are new initiatives which we  
16 believe will enhance our total plan. The existing  
17 programs have proven to be effective, thus we think  
18 they should be continued. The new programs fit well

1 with the existing programs and enhance our overall  
2 plan and together these eleven programs will enable  
3 FPUC to meet our goals.

4 Q. Do you have an exhibit describing these programs?

5 A. Yes. Exhibit RLS-1 (\_\_\_\_) is a summary of the  
6 existing programs which we recommend be continued.  
7 Exhibit RLS-2 (\_\_\_\_) is a summary of the new programs  
8 we propose. Each of these programs is explained and  
9 discussed in detail in the DSM plan which accompanied  
10 our petition.

11 Q. You said that these programs will enable you to meet  
12 the numeric goals that FPUC plans to achieve. Are you  
13 proposing new goals for 2005-2014?

14 A. Yes we are. Exhibit RLS-3 (\_\_\_\_) is a summary of the  
15 goals we propose. The details are in the DSM plan  
16 which we filed.

17 Q. Did you prepare these goals?

18 A. No, but I reviewed and worked with the preparation of  
19 them. In prior DSM proceedings, we worked closely  
20 with Gulf Power Company and used their approved goals  
21 as a model due to the similar characteristics of the  
22 service areas. For this docket however, we engaged a  
23 consultant to help us prepare our proposed numeric

1 goals for 2005-2014 and the results of the study they  
2 performed are reflected in the DSM plan.

3 Q. The numeric goals are described and detailed in the  
4 DSM plan?

5 A. Yes, they are, along with our programs.

6 Q. Would you briefly summarize your request?

7 A. Yes. First we ask that the Commission approve the  
8 numeric goals we have developed for 2005-2014 as we  
9 believe they are compliant with the requirements of  
10 Commission rules, and urge approval.

11 Secondly, we ask that the Commission approve the  
12 programs which would be implemented to meet these  
13 numeric goals.

14 Q. Does this conclude your testimony?

15 A. Yes it does.

SUMMARIZED DESCRIPTIONS OF THE EXISTING PROGRAMS  
CONTINUED IN THE FPSC 2005 DEMAND-SIDE MANAGEMENT PLAN

Residential Geothermal Heat Pump Program

The objective of this program is to reduce the demand and energy requirements of new and existing residential customer through the promotion and installation of advanced and emerging geothermal systems. Geothermal heat pumps provide significant benefits to participating customers in the form of reduced operating costs and increased comfort levels. FPUC's program is designed to overcome existing market barriers, specifically lack of consumer awareness, knowledge and acceptance of this technology. The program will promote units having an Energy Efficiency Ratio (EER) of 13.0 or higher.

GoodCents Home/Energy Star Program

This program provides guidance concerning energy efficient standards in new home construction by promoting energy efficient home construction techniques, and by evaluating the energy efficient components of design and construction practices. The program relates the performance of GoodCents homes to the nationally recognized Energy Star efficiency label. The GoodCents Home standards exceed the minimum efficiency standards for new construction as set forth by the Florida Model Energy Code.

GoodCents Energy Survey Program

This program was formerly known as the Residential Audit Program and provides FPUC's residential customers with energy conservation advice that encourages the implementation of efficiency measures resulting in energy savings for the customer. During the survey process, the customer is provided with specific whole-house recommendations. The survey process also checks for possible duct leakage.

GoodCents Commercial Building Program

This program is designed to ensure that commercial buildings are constructed with energy efficiency levels above the Florida Model Energy code standards. These standards include both HVAC efficiency and thermal envelope requirements. The program's design is sufficiently flexible to allow an architect or designer to use initiative and ingenuity to achieve results that are meaningful to both the customer and FPUC.

Commercial Technical Assistance Audit Program

This program is an interactive program that assists commercial customers in identifying advanced energy conservation opportunities. The program is customized to meet the individual needs of large customers as required; therefore, it is an evolving program. The process consists of an on-site review of the customer's facility operation, equipment, and energy usage pattern.

Energy Education/Low Income

FPUC has energy education programs that identify low cost and or no cost energy conservation measures. In order to better assist low-income customers in managing their energy purchases, the presentation and format of these energy education programs are tailored to the audience. These programs provide basic energy education, as well as inform the customers of other specific services (e.g. free energy surveys) that FPUC currently offers.

Energy Education/Affordable Housing Builders and Providers

FPUC identifies the affordable housing builders within the service area and will encourage them to attend education seminars and workshops related to energy efficient construction, retrofit programs, financing programs, etc. and to participate in the GoodCents Home program. The company works with the Florida Energy Extension Service and other seminar sponsors to offer a minimum of two seminars and/or workshops per year.

SUMMARIZED DESCRIPTIONS OF NEW PROGRAMS  
RECOMMENDED BY FPUC FOR 2005 DEMAND-SIDE MANAGEMENT PLAN

*Residential Heating & Cooling Efficiency Upgrade Program*

This program is directed at reducing the rate of growth in peak demand and energy throughout FPUC's electricity service territories. The program is expected to increase the saturation of high-efficiency heat pumps. Two types of equipment replacements in single-family dwellings are considered. Type 1 is for high-efficiency heat pumps replacing resistance-heating systems. Type 2 is for high-efficiency heat pumps replacing lower-efficiency heat pumps. A minimum SEER of 12.0 must be met to obtain incentives in the form of cash allowances provided to the dealer and the customer to defray the additional cost associated with the installation.

*Residential Ceiling Insulation Upgrade Program*

This purpose of this program is to reduce peak demand and energy consumption by decreasing the load present by residential air-conditioning and heating equipment. The program requires that residential customers add at least R-11 of ceiling insulation. By doing so, the customer will receive an incentive in the form of cash allowances to defray the additional cost associated with the installation.

*Commercial Indoor Efficient Lighting Rebate Program*

This program is to reduce the peak demand and energy consumption by decreasing the load presented by commercial lighting equipment. To serve this purpose, this program requires that commercial customers achieve at least 1,000 watts of lighting reduction from any lighting source that has been retrofitted with a more efficient fluorescent lighting system (ballasts and lamps). As a result, the customer will receive an incentive in the form of cash allowances of 10 cents per watt reduced.

*Conservation Demonstration and Development (CDD) Program*

The primary purpose of this program is to pursue research, development, and demonstration projects that are designed to promote energy efficiency and conservation. The program is meant to be an umbrella program for the identification, development, demonstration, and evaluation of promising new end-use technologies. The CDD program does not focus on any specific end-use technology but, instead, will address a wide variety of energy applications.

**Total Savings Across All Programs and Classes**

Year	Summer Peak MW Demand Reduction	Winter Peak MW Demand Reduction	Annual Energy Reduction (gWh)
2005	0.28	0.25	0.59
2006	0.55	0.49	1.18
2007	0.83	0.74	1.77
2008	1.13	1.03	2.41
2009	1.43	1.35	3.08
2010	1.76	1.72	3.80
2011	2.11	2.12	4.55
2012	2.47	2.58	5.35
2013	2.86	3.08	6.22
2014	3.28	3.63	7.14

**Residential Class Programs**

Year	Summer Peak MW Demand Reduction	Winter Peak MW Demand Reduction	Annual Energy Reduction (gWh)
2005	0.10	0.14	0.17
2006	0.20	0.28	0.34
2007	0.29	0.42	0.52
2008	0.40	0.59	0.71
2009	0.51	0.79	0.93
2010	0.63	1.03	1.17
2011	0.76	1.31	1.44
2012	0.90	1.62	1.74
2013	1.05	1.98	2.06
2014	1.21	2.36	2.40

**Commercial & Industrial Class Programs**

Year	Summer Peak MW Demand Reduction	Winter Peak MW Demand Reduction	Annual Energy Reduction (gWh)
2005	0.18	0.11	0.42
2006	0.36	0.21	0.83
2007	0.53	0.32	1.25
2008	0.73	0.44	1.70
2009	0.92	0.55	2.15
2010	1.13	0.68	2.63
2011	1.34	0.81	3.11
2012	1.57	0.95	3.62
2013	1.81	1.11	4.16
2014	2.06	1.27	4.73