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July 15, 2011

HAND DELIVERED

Ms. Ann Cole, Director  
Division of Commission Clerk  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, FL 32399-0850

Re: Undocketed Filings – 2012 FEECA Report Data Collection;  
FPSC Docket No. 110000-OT


Dear Ms. Cole:

Pursuant to Staff's letter dated July 1, 2011, we enclose for filing the original and five (5) copies of Tampa Electric Company's responses to Staff's Second Data Request No. 1.

Please acknowledge receipt and filing of the above by stamping the duplicate copy of this letter and returning same to this writer.

Thank you for your assistance in connection with this matter.

Sincerely,

  
James D. Beasley

JDB/pp  
Enclosure

cc: Lawrence D. Harris (w/enc.)  
Paula K. Brown (w/enc.)

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**TAMPA ELECTRIC COMPANY  
UNDOCKETED: 2012 FEECA REPORT  
DATA COLLECTION  
STAFF'S SECOND DATA REQUEST  
REQUEST NO. 1  
PAGE 1 OF 2  
FILED: JULY 15, 2011**

1. Please expand upon your answer to Question No. 4 of Staff's First Data Request regarding how TECO was able to meet or exceed Commission-established goals in 2010 even though fifteen of thirty-one programs did not achieve projected participation levels. While staff understands that projected participation levels may not be met for all programs, did those programs that did achieve or exceed projected participation levels produce the savings that allowed TECO to exceed its goals? How were overall costs and savings impacted by participation levels being met or exceeded for some programs? Finally, what lessons, if any, has TECO learned from the success of some programs versus others in its DSM portfolio?

**A. Goals**

As previously stated in Staff's First Data Request, Tampa Electric monitors and manages its entire portfolio of voluntary conservation programs in an effort to meet or exceed Commission established goals. Since the start of FEECA, Tampa Electric has not been held accountable for goals related to the projected performance of an individual program. Although the company had 2010 DSM programs that did not achieve projected participation levels, the company had programs that did achieve or exceed projected participation levels which allowed Tampa Electric to exceed its goals.

The majority of the residential programs met or exceeded the goals approved by the Commission. For those programs meeting or exceeding accomplishments, achievements ranged from 100 to 593 percent of the anticipated participation. The company believes these achievements were the impact of the substantial federal tax credits sun-setting in December 2010. As a result Tampa Electric experienced unprecedented activity in programs dealing with building envelope improvement and space conditioning which far outpaced any residential program with less participation than projected.

On the commercial side, those programs that met or exceeded individual program achievements ranged from 100 to 700 percent of the anticipated participation, clearly making up for those programs with less participation than projected. In addition, several of the company's commercial program demand and energy savings have a direct correlation to the size of the facility that participated. For example, as identified in the company's 2010-2019 DSM Plan, Tampa Electric's commercial window film measure (a component of the commercial building envelope program) had a projected participation of 25 installations that would achieve a total reduction of 0.050 MW summer

demand and 0.074 GWH annual energy. Actual participants for this program were nine larger facilities that achieved 0.106 MW summer demand and 0.078 GWH annual energy.

Furthermore, several of the commercial programs not meeting their goals in 2010 have limited participation projected in the company's DSM plan. For the year 2010, four of the commercial programs had one participant projected and one program had two participants projected. The resulting impact to the commercial goals for not meeting these programs was 0.160 MW summer demand, 0.065 winter demand and 0.017 GWH of annual energy providing a minimal impact to the overall DSM goals. These five programs combined represent less than 1.5 percent of the total commercial demand and energy reductions actually achieved.

### **Costs and Savings**

Overall, for 2010 Tampa Electric was able to lower costs and achieve savings while exceeding its DSM goals. As previously stated, the federal income tax credits associated with energy conservation measures enhanced DSM program activity even though the company had not implemented the increased incentives approved in Tampa Electric 2010-2019 DSM Plan.

For 2010, Tampa Electric achieved its DSM goals through expenditures that were two percent less than projected. However, it is not anticipated that this trend will continue as costs will rise with the introduction of larger incentives, increased marketing and expanded consumer education that is integral to the company's 2010-2019 DSM Plan. These cost increases are due to higher DSM goals determined by the use of the enhanced cost-effectiveness tests that include carbon costs and with the recognition that the TRC test has currently become the litmus test for determining cost-effectiveness.

### **Lessons Learned**

- Federal and state tax credits and incentives definitely have an impact on program performance.
- Due to delays, Tampa Electric's 2010-2019 DSM Plan is just becoming active; therefore, lessons learned regarding the success of some programs versus others in the company's DSM portfolio is premature.