

FLORIDA PUBLIC SERVICE COMMISSION

Item 20

VOTE SHEET

December 3, 2015

FILED DEC 03, 2015
DOCUMENT NO. 07716-15
FPSC - COMMISSION CLERK

Docket No. 140226-EI – Request to opt-out of cost recovery for investor-owned electric utility energy efficiency programs by Wal-Mart Stores East, LP and Sam's East, Inc. and Florida Industrial Power Users Group.

Issue 1: Should the Commission require the utilities to separate their Energy Conservation Cost Recovery expenditures into two categories, one for Energy Efficiency programs and the other for Demand-Side Management programs?

Primary Recommendation: The petitioners have suggested separating the costs in the Energy Conservation Cost Recovery (ECCR) clause as a means of implementing the proposed opt-out provision. If the Commission approves staff's primary recommendation in Issue 2 to deny the petitioners' request, then no changes to current ECCR clause practices are necessary.

Alternative Recommendation: If the Commission approves alternative staff's recommendation in Issue 2, the four largest IOUs will be required to develop a pilot opt-out program. Implementing the pilot program would require the IOUs to determine the proportion of total ECCR costs related to energy efficiency programs paid by each customer that chooses to participate in the pilot. Alternative staff recommends that the appropriate methodology for determining the category and level of costs from which opt-out customers are seeking relief should be subject to discussion among the parties at a workshop as recommended in Issues 2 and 3.

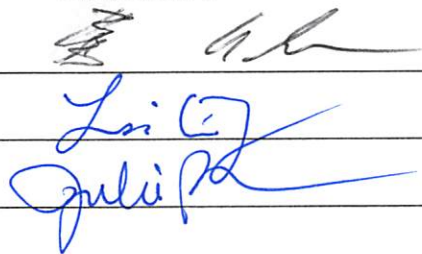
APPROVED* primary recommendation on all issues 1-4. The Commission would like additional information in putting together a pilot program that will impact on rate payers. If parties are interested, they shall submit to staff for consideration by the Commission at a later time, options for a pilot program.

COMMISSIONERS ASSIGNED: Graham, Edgar, Brown

COMMISSIONERS' SIGNATURES

MAJORITY

DISSENTING



REMARKS/DISSENTING COMMENTS:

Oral Modifications, assigned DNs 07566-15 and 07611-15, are attached.

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Issue 2: Should the Commission allow proactive non-residential customers who implement their own energy efficiency programs and meet certain other criteria to opt out of the utility's Energy Efficiency programs and not be required to pay the cost recovery charges for the utility's Energy Efficiency programs approved by the Commission, pursuant to Section 366.82, F.S.?

Primary Recommendation: Primary staff recommends that the Commission not pursue an opt-out policy at this time. There is insufficient evidence in the record for the Commission to change its existing policy that all ratepayers benefit from cost-effective DSM programs, therefore all ratepayers should share in the costs. Further, an opt-out policy could result in cost shifting to residential and commercial/industrial customers that are not eligible to opt out under the petitioners' proposals. Additionally, it is probable that an opt-out provision would introduce equity concerns into Florida's DSM programs. Finally, primary staff recommends that the Commission direct the utilities to work with the petitioners to make their existing energy conservation Custom Incentive programs less burdensome and more responsive to customer needs in order to increase customer participation.

Alternative Recommendation: Alternative staff recommends that the Commission direct staff to conduct a workshop for discussion among the parties and the four largest IOUs on a pilot program that meets the parameters discussed in Issue 3. The Commission should direct the four largest IOUs to develop a pilot opt-out program, and the associated tariffs, within 90 days of the workshop, for Commission review and approval. To the extent possible, the utility proposals shall reflect common program specifics to enable reasonably comparable for evaluation at the conclusion of the pilot. The purpose of the pilot program is to collect data regarding the impact of an opt-out policy on: (1) customer energy and demand savings relative to expected savings under utility-sponsored programs; (2) whether these demand and energy savings are cost-effective under the Commission's approved cost-effectiveness methodology; and (3) whether cost shifting occurs and, if so, at what level.

APPROVED [✱] *primary recommendation*

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Issue 3: If the Commission allows proactive customers to opt out of participating in, and paying for, a utility's Energy Efficiency programs, what criteria should the Commission apply in determining whether customers who wish to opt out are eligible to do so?

Primary Recommendation: If the Commission approves the primary recommendation in Issue 2, then Issue 3 is moot.

Alternative Recommendation: If the Commission approves the alternative staff recommendation in Issue 2, the Commission should direct staff to conduct a workshop with the parties to develop implementation of an opt-out pilot program for the four largest IOUs. Following the workshop, these four IOUs should be required to file an opt-out pilot proposal, and the associated tariffs, within 90 days based on the framework provided in alternative staff's discussion of this issue, including: (1) eligible customers should be determined based on an annual energy usage threshold of 15 million kWh, with no account aggregation allowed; (2) any administrative costs associated with an opt-out policy must be paid by the customers that elect to opt out and (3) any energy efficiency savings from an opt-out customer counted toward utility DSM goals must be incremental savings that meet the same cost-effectiveness criteria that utility-sponsored energy efficiency savings already must meet, and must be measureable and verified. The resulting proposed opt-out program standards and other necessary implementation details would be subject to Commission approval through the PAA process. Alternative staff also recommends that, to the extent possible, the four largest IOUs strive for commonality in their opt-out programs. The Commission should also direct the IOUs to engage with staff and the parties in fulfilling the intent of these guidelines as questions arise.

APPROVED * *primary recommendation*

Issue 4: Should this docket be closed?

Recommendation: ~~If staff's primary recommendation in Issue 2 is approved, the docket should be closed after the time for filing an appeal has run. If the Commission denies staff's primary recommendation in Issue 2, this docket should remain open pending further Commission action.~~ *the*

APPROVED

Angela Charles

From: Kathy Shoaf
Sent: Wednesday, November 25, 2015 8:47 AM
To: CLK - Agenda Staff; Commissioners & Staffs; Braulio Baez; Lisa Harvey; Apryl Lynn; Charlie Beck; Mary Anne Helton; Cindy Muir; Greg Shafer; Judy Harlow; Lee Eng Tan; Keino Young
Cc: Kate Hamrick; Terri Fleming; Kathy Shoaf
Subject: Approved Request to make Oral Modification for Item 20 Dkt. No. 140226-EI, Request to opt out of cost recovery for investor-owned electric utility energy efficiency programs by Wal-Mart Stores East, LP and Sam's East, Inc. and Florida Industria...

Please see attached Approved Request for Oral Modification.
Thank you.

Kathy Shoaf

Executive Assistant to
Braulio Baez, Executive Director
Florida Public Service Commission
Telephone: (850)413-6053
kshoaf@psc.state.fl.us

From: Braulio Baez
Sent: Tuesday, November 24, 2015 4:57 PM
To: Greg Shafer; Lisa Harvey
Cc: Kate Hamrick; Kathy Shoaf
Subject: RE: Request for Approval to make Oral Modification for Item 20 Dkt. No. 140226-EI, Request to opt out of cost recovery for investor-owned electric utility energy efficiency programs by Wal-Mart Stores East, LP and Sam's East, Inc. and Florida Industria...

Approved. Thanks

Sent from my T-Mobile 4G LTE Device

----- Original message -----

From: Greg Shafer <GShafer@PSC.STATE.FL.US>
Date: 11/24/2015 4:49 PM (GMT-05:00)
To: Braulio Baez <BBaez@PSC.STATE.FL.US>, Lisa Harvey <LSHarvey@PSC.STATE.FL.US>
Cc: Kate Hamrick <KHamrick@psc.state.fl.us>, Kathy Shoaf <kshoaf@psc.state.fl.us>
Subject: Request for Approval to make Oral Modification for Item 20 Dkt. No. 140226-EI, Request to opt out of cost recovery for investor-owned electric utility energy efficiency programs by Wal-Mart Stores East, LP and Sam's East, Inc. and Florida Industrial Power

Staff requests approval to make an oral modification to Item 20 on the December 3, 2015, Commission Conference. Staff's proposed modification is removes an incorrect subheading and inserts missing language. Both changes affect page 22.

The following subsection on page 22 should appear as follows:

Customer Incentive Programs

The Commission's most recent DSM goals order requires that approved energy efficiency savings pass the RIM test and have a payback period greater than two years to minimize the number of free riders. Primary staff is concerned that Wal-Mart, FIPUG, and others would be able to opt out of paying for energy efficiency programs without guarantees that opt-out customers would achieve energy efficiency savings that would pass the RIM test and would have a payback period greater than two years.^[1] In response to questioning by OPC, witness Baker acknowledged that Wal-Mart's proposal does not rely on a RIM test. (TR 80) Witness Chriss, however, states that if the Commission wants to run a RIM test on an opt-out customer's programs, "I don't think we'd necessarily be opposed to that." (TR 128) FIPUG was silent on using the RIM test on opt-out customers' energy efficiency investments.

Utility-sponsored programs that pass the RIM test put downward pressure on rates and are therefore beneficial to the general body of ratepayers. The utilities' Commission-approved goals are based on the RIM cost-effectiveness test. (TR 339) Opt-out customers have proposed avoiding ECCR payments by making (or promising to make) energy efficiency decisions that are beneficial to these customers. It is reasonable to expect that some of these investment decisions will not pass the RIM test. Historically, the Commission has encouraged customers to use energy efficiently. Any customer has an incentive to make energy efficiency decisions that are in his or her own best economic interests. However, it is the role of the Commission to ensure that utility-sponsored programs and related policies are in the best interest of the general body of ratepayers. Primary staff does not believe Wal-Mart and FIPUG have provided sufficient evidence that their energy efficiency investments are beneficial to the general body of ratepayers.

Greg Shafer

^[1] Order No. PSC-14-0696-FOF-EU, issued December 16, 2014, Dockets Nos. 130199-EI, 130200-EI, 130201-EI, 130202-EI, 130203-EM, and 130204-EM, In re: Commission review of numeric conservation goals of FPL, DEF, TECO, Gulf, FPUC, JEA, and OUC, pg. 43.

Angela Charles

From: Kate Hamrick
Sent: Monday, November 30, 2015 1:55 PM
To: Braulio Baez; Apryl Lynn; Lisa Harvey; Charlie Beck; Mary Anne Helton; CLK - Agenda Staff; Cindy Muir; Commissioners & Staffs; Judy Harlow; Greg Shafer; Lee Eng Tan; Keino Young
Cc: Katherine Fleming; Jacqueline Moore; Terri Fleming
Subject: FW: Request for Approval to make an Oral Modification for Item 20. (Docket No. 140226-EI, Request to opt out of cost recovery for investor-owned electric utility energy efficiency programs by Wal-Mart and FIPUG.

Please see the approved oral modification for Item 20 of the December 3, 2015, Commission Conference.

Thanks,

Kate Hamrick
Executive Assistant to
Lisa S. Harvey, Deputy Executive Director: Technical
Florida Public Service Commission
850-413-6304

From: Braulio Baez
Sent: Monday, November 30, 2015 1:52 PM
To: Lee Eng Tan; Lisa Harvey
Cc: Kate Hamrick; Kathy Shoaf; Keino Young
Subject: RE: Request for Approval to make an Oral Modification for Item 20. (Docket No. 140226-EI, Request to opt out of cost recovery for investor-owned electric utility energy efficiency programs by Wal-Mart and FIPUG.

Approved. Thank you.

Sent from my T-Mobile 4G LTE Device

----- Original message -----

From: Lee Eng Tan <LTAN@PSC.STATE.FL.US>
Date: 11/30/2015 1:25 PM (GMT-05:00)
To: Braulio Baez <BBaez@PSC.STATE.FL.US>, Lisa Harvey <LSHarvey@PSC.STATE.FL.US>
Cc: Kate Hamrick <KHamrick@psc.state.fl.us>, Kathy Shoaf <kshoaf@psc.state.fl.us>, Keino Young <KYOUNG@PSC.STATE.FL.US>
Subject: Request for Approval to make an Oral Modification for Item 20. (Docket No. 140226-EI, Request to opt out of cost recovery for investor-owned electric utility energy efficiency programs by Wal-Mart and FIPUG.

Staff requests approval to make an oral modification to Item 20 on the December 3, 2015, Commission Conference. Staff's proposed modification strikes language in the recommendation and staff analysis in Issue 4. The changes are located on page 41.

Recommendation:

~~If staff's primary recommendation in Issue 2 is approved, t~~ The docket should be closed after the time for filing an appeal has run. ~~If the Commission denies staff's primary recommendation in Issue 2, this docket should remain open pending further Commission action.~~

Staff Analysis:

The docket should be closed 32 days after issuance of the order, to allow the time for filing an appeal to run. ~~If the Commission denies staff's primary recommendation in Issue 2, this docket should remain open pending further Commission action.~~

Thank you.

Lee Eng Tan
Senior Attorney
Office of the General Counsel
(850) 413-6185
ltan@psc.state.fl.us