

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Commission review of numeric conservation goals (Florida Power & Light Company)

DOCKET NO. 20190015-EG

In re: Commission review of numeric conservation goals (Gulf Power Company)

DOCKET NO. 20190016-EG

In re: Commission review of numeric conservation goals (Florida Public Utilities Company).

DOCKET NO. 20190017-EG

In re: Commission review of numeric conservation goals (Duke Energy Florida, Inc.)

DOCKET NO. 20190018-EG

In re: Commission review of numeric conservation goals (Orlando Utilities Commission)

DOCKET NO. 20190019-EG

In re: Commission review of numeric conservation goals (JEA)

DOCKET NO. 20190020-EG

In re: Commission review of numeric conservation goals (Tampa Electric Company)

DOCKET NO. 20190021-EG

DATE: July 22, 2019

PRE-HEARING STATEMENT OF THE OFFICE OF PUBLIC COUNSEL

The Citizens of the State of Florida, through the Office of Public Counsel, pursuant to the Order Establishing Procedure in this docket, Order No. PSC-2019-0062-PCO-EG, issued February 18, 2019, hereby submit this Prehearing Statement.

APPEARANCES:

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On behalf of the Citizens of the State of Florida

1. WITNESSES:

NONE

2. EXHIBITS:

NONE

3. STATEMENT OF BASIC POSITION

The Office of Public Counsel (“OPC”) represents the ratepayers of the investor-owned utilities subject to this numeric conservation goal setting proceeding. The ratepayers that OPC represents have differing opinions and assign differing values to energy efficiency goals and to the rate impacts for achieving those goals. However, OPC submits that the companies rely too heavily on the rate impact measure (“RIM”) test as the sole criteria for establishing the achievable potential for each company and that the Commission should give some weight to—and consider—other measures. Notwithstanding the criteria considered in making its decisions, the Commission should ensure that the companies’ proposed goals adequately safeguard the interests of the general body of ratepayers against undue rate impacts while achieving the intent of FEECA. If, however, the Commission relies upon the companies’ proposed goals based on RIM to establish 2020-2029 goals or sets goals lower than the RIM achievable potential goals, OPC submits that there should be no rewards allowed for exceeding those goals.

4. STATEMENT OF FACTUAL ISSUES AND POSITIONS

ISSUE 1: Are the Company’s proposed goals based on an adequate assessment of the full technical potential of all available demand-side and supply-side conservation and efficiency measures, including demand-side renewable energy systems, pursuant to Section 366.82(3), F.S.?

OPC: No. The ratepayers that OPC represents have differing opinions and assign differing values to energy efficiency goals and to the rate impacts for achieving those goals. The Commission should determine whether the companies’ proposed goals adequately safeguard the interests of the general body of ratepayers against undue rate impacts while achieving the intent of FEECA. While OPC does not seek to micro-manage the efficiency measures, OPC believes that challenging but achievable goals are possible, and necessary, under the referenced statute.

OPC recognizes the challenges to setting sufficient but achievable goals. Nevertheless, OPC submits that the companies rely too heavily on RIM and that the Commission should give some weight to—and consider—other measures. The assessment of all reasonable means to achieve the goals set are an integral aspect of the numeric conservation goal setting process.

ISSUE 2: Do the Company’s proposed goals adequately reflect the costs and benefits to customers participating in the measure, pursuant to Section 366.82(3)(a), F.S.?

OPC: No. Costs and benefits to individual, participating customers may be difficult to establish and, while the proposed goals may appear to reflect the costs and benefits as referenced in Section 366.82(3)(a), F.S., it is not clear that the companies’ proposed goals fully and adequately reflect these costs and benefits. The ratepayers that OPC represents have differing opinions and assign differing values to energy efficiency goals and to the rate impacts for achieving those goals. The Commission should determine whether the companies’ proposed goals adequately safeguard the interests of the general body of ratepayers against undue rate impacts while achieving the intent of FEECA.

ISSUE 3: Do the Company’s proposed goals adequately reflect the costs and benefits to the general body of ratepayers as a whole, including utility incentives and participant contributions, pursuant to Section 366.82(3)(b), F.S.?

OPC: No. Costs and benefits to the general body of ratepayers may be difficult to establish and, while the proposed goals may attempt to reflect the costs and benefits as

referenced in Section 366.82(3)(b), F.S., it is not clear that the proposed goals fully and adequately reflect these costs and benefits. The ratepayers that OPC represents have differing opinions and assign differing values to energy efficiency goals and to the rate impacts for achieving those goals. The Commission should determine whether the companies' proposed goals adequately safeguard the interests of the general body of ratepayers against undue rate impacts while achieving the intent of FEECA.

ISSUE 4: Do the Company's proposed goals adequately reflect the need for incentives to promote both customer-owned and utility-owned energy efficiency and demand-side renewable energy systems, pursuant to Section 366.82(3)(c), F.S.?

OPC: No. The ratepayers OPC represents have differing opinions and assign differing values to energy efficiency goals and to the rate impacts for achieving those goals. The need for incentives may be affected by community-specific characteristics, and the proposed goals are presented in a more general format. The proposed goals appear to address the need for incentives to promote both customer-owned and utility-owned energy efficiency and demand-side renewable energy systems but may not adequately reflect the full extent of that need. Moreover, the Commission should determine whether the companies' proposed goals adequately safeguard the interests of the general body of ratepayers against undue rate impacts while achieving the intent of FEECA.

ISSUE 5: Do the Company's proposed goals adequately reflect the costs imposed by state and federal regulations on the emission of greenhouse gases, pursuant to Section 366.82(3)(d), F.S.?

OPC: Currently, there are no costs imposed by state or federal regulations on the emission of greenhouse gases. It appears that the companies have not included any costs for greenhouse gases in their analyses used to establish the conservation goals.

ISSUE 6: What cost-effectiveness test or tests should the Commission use to set goals, pursuant to Section 366.82, F.S.?

OPC: OPC submits that the companies rely too heavily on the RIM test as the sole criteria for establishing the achievable potential for each company and that the Commission should give some weight to—and consider—other measures. If the Commission relies upon the companies' proposed goals based on RIM to establish 2020-2029 goals or sets goals lower than the RIM achievable potential goals, OPC submits that there should be no rewards for exceeding those goals.

ISSUE 7: Do the Company’s proposed goals appropriately reflect consideration of free riders?

OPC: No. The ratepayers that OPC represents have differing opinions and assign differing values to energy efficiency goals and to the rate impacts for achieving those goals. The companies’ heavy reliance on the RIM test as the sole criteria for setting achievable potential may overcompensate for “free riders” to the detriment of lower income customers’ participation in DSM programs. The Commission should determine whether the companies’ proposed goals adequately safeguard the interests of the general body of ratepayers against undue rate impacts while achieving the intent of FEECA. If the Commission relies upon the companies’ proposed RIM goals or approves goals that are lower than the RIM-achievable potential, OPC submits there should be no rewards for exceeding those goals.

ISSUE 8: What residential summer and winter megawatt (MW) and annual Gigawatt-hour (GWh) goals should be established for the period 2020-2029?

OPC: The ratepayers that OPC represents have differing opinions and assign differing values to energy efficiency goals and to the rate impacts for achieving those goals. Notwithstanding, OPC submits that the companies rely too heavily on the RIM test as the sole criteria for establishing the achievable potential for each company and that the Commission should give some weight to—and consider—other measures. The Commission should determine whether the companies’ proposed goals adequately safeguard the interests of the general body of ratepayers against undue rate impacts while achieving the intent of FEECA. If the Commission relies upon the companies’ proposed RIM goals or approves goals that are lower than the RIM-achievable potential, OPC submits there should be no rewards for exceeding those goals. The summer and winter megawatt and annual Gigawatt-hour goals for residential customers should reflect these considerations, although OPC does not propose specific numeric amounts.

ISSUE 9: What commercial/industrial summer and winter megawatt (MW) and annual Gigawatt hour (GWh) goals should be established for the period 2020-2029?

OPC: The Commission should determine whether the companies’ proposed goals adequately safeguard the interests of the general body of ratepayers against undue rate impacts while achieving the intent of FEECA. Notwithstanding, OPC submits that the companies rely too heavily the RIM test as the sole criteria for establishing the achievable potential for each company and that the Commission should give some weight to—and consider—other measures. The ratepayers that OPC represents have differing opinions and assign differing values to energy efficiency goals and to the rate impacts for achieving those goals. If the Commission relies upon the companies’ proposed RIM goals or approves goals that are lower than the RIM-achievable potential, OPC submits there should be no rewards for exceeding those goals. The

summer and winter megawatt and annual Gigawatt-hour goals for commercial/industrial customers should reflect these considerations, although OPC does not propose specific numeric amounts.

ISSUE 10: What goals, if any, should be established for increasing the development of demand-side renewable energy systems, pursuant to Section 366.82(2), F.S.?

OPC: Increasing the development of demand-side renewable energy systems, pursuant to Section 366.82(2), F.S., should be the focus of a significant amount of effort pursuant to goals set herein or otherwise. The Commission should determine whether the companies' proposed goals adequately safeguard the interests of the general body of ratepayers against undue rate impacts while achieving the intent of FEECA. If the Commission adopts goals for increasing the development of demand-side renewable energy systems, it should consider the rate impacts to the general body of ratepayers, including those who cannot participate in any programs designed to achieve these goals.

ISSUE 11: Should these dockets be closed?

OPC: No.

CONTESTED ISSUES
(ALL DOCKETS EXCEPT FPUC)

SACE ISSUE: Should distinct goals for low income customers be established, and if so, what should those goals be?

OPC: Yes. The majority of the companies have represented that they have low income DSM programs; therefore, goals should be established for these programs. Moreover, the Commission should determine whether the companies' proposed goals adequately safeguard the interests of the general body of ratepayers against undue rate impacts while achieving the intent of FEECA. Gigawatt-hour goals for low income DSM programs should reflect these considerations, although OPC does not propose specific numeric amounts.

The ratepayers OPC represents have differing opinions and assign differing values to energy efficiency goals and to the rate impacts for achieving those goals. The need for incentives may be affected by community-specific characteristics, and the proposed goals are presented in a more general format. The proposed goals appear to address the need for incentives to promote both customer-owned and utility-owned energy efficiency and demand-side renewable energy systems but may not adequately reflect the full extent of that need especially for low income customers.

Proposed sub-issue 7(a): Do the Company’s proposed goals appropriately consider customer education and measures targeted to low-income customers as required by the Commission in the prior FEECA goals proceeding (Order No. PSC-14-0696-FOF-EU),^[1] and should the Company be required to continue to consider and develop customer education and measures targeted to low-income customers in the future?

OPC: No, OPC is still reviewing whether the companies’ proposed goals appropriately consider customer education and measures targeted to low-income customers as required by the Commission in the prior FEECA goals proceeding (Order No. PSC-14-0696-FOF-EU. Yes, the companies should be required to continue and develop customer education programs and target measure specifically for low-income customers. The majority of the companies have represented that they have low-income DSM programs; therefore, goals should be established for these programs. Moreover, the Commission should determine whether the companies’ proposed goals adequately safeguard the interests of the general body of ratepayers against undue rate impacts while achieving the intent of FEECA. Gigawatt-hour goals for low-income DSM programs should reflect these considerations, although OPC does not propose specific numeric amounts.

The ratepayers OPC represents have differing opinions and assign differing values to energy efficiency goals and to the rate impacts for achieving those goals. The need for incentives may be affected by community-specific characteristics, and the proposed goals are presented in a more general format. The proposed goals appear to address the need for incentives to promote both customer-owned and utility-owned energy efficiency and demand-side renewable energy systems but may not adequately reflect the full extent of that need especially for low-income customers.

5. **STIPULATED ISSUES:**

None at this time.

6. **PENDING MOTIONS:**

None.

7. **STATEMENT OF PARTY’S PENDING REQUESTS OR CLAIMS FOR CONFIDENTIALITY:**

^[1] See, Order No. PSC-14-0696-FOF-EU, issued December 16, 2014, at pgs. 26-27.

None.

8. OBJECTIONS TO QUALIFICATION OF WITNESSES AS AN EXPERT:

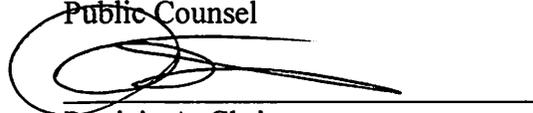
None at this time.

9. STATEMENT OF COMPLIANCE WITH ORDER ESTABLISHING PROCEDURE:

There are no requirements of the Order Establishing Procedure with which the Office of Public Counsel cannot comply.

Dated this 22nd day of July, 2019

JR Kelly
Public Counsel



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CERTIFICATE OF SERVICE
Docket Nos. 20190015-EG, 20190016-EG, 20190017-EG
20190018-EG, 20190019-EG, 20190020-EG, 20190021-EG

I HEREBY CERTIFY that a true and correct copy of the foregoing has been furnished by electronic mail on this 22nd day of July 2019, to the following:

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