

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, LLC).	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 ORDER NO. PSC-2019-0323-PHO-EG ISSUED: August 7, 2019

Pursuant to Notice and in accordance with Rule 28-106.209, Florida Administrative Code (F.A.C.), a Prehearing Conference was held on July 29, 2019, in Tallahassee, Florida, before Commissioner Donald J. Polmann, as Prehearing Officer.

APPEARANCES:

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On behalf of Florida Power & Light Company (FPL).

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On behalf of Tampa Electric Company (TECO).

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On behalf of Southern Alliance for Clean Energy (SACE).

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On behalf of Florida League of United Latin American Citizens also known as LULAC Florida Corp. (LULAC).

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## **PREHEARING ORDER**

### **I. CASE BACKGROUND**

On January 15, 2019, Docket Nos. 20190015-EG, 20190016-EG, 20190017-EG, 20190018-EG, 20190019-EG, 20190020-EG, and 20190021-EG were established to review and adopt the corresponding utility's conservation goals pursuant to Sections 366.80-366.83 and 403.519, Florida Statutes (F.S.), known collectively as the Florida Energy Efficiency and Conservation Act (FEECA). By the Order Consolidating Dockets and Establishing Procedure, Order No. PSC-2019-0062-PCO-EG, issued on February 18, 2019, the dockets were consolidated for purposes of hearing and controlling dates were established. The matter has been scheduled for a formal hearing from August 12, 2019, through August 16, 2019.

### **II. CONDUCT OF PROCEEDINGS**

Pursuant to Rule 28-106.211, F.A.C., this Prehearing Order is issued to prevent delay and to promote the just, speedy, and inexpensive determination of all aspects of this case.

### **III. JURISDICTION**

This Commission is vested with jurisdiction over the subject matter by the provisions of Chapter 366, F.S. This hearing will be governed by said Chapter and Chapters 25-17, 25-22, and 28-106, F.A.C., as well as any other applicable provisions of law.

### **IV. PROCEDURE FOR HANDLING CONFIDENTIAL INFORMATION**

Information for which proprietary confidential business information status is requested pursuant to Section 366.093, F.S., and Rule 25-22.006, F.A.C., shall be treated by the Commission as confidential. The information shall be exempt from Section 119.07(1), F.S., pending a formal ruling on such request by the Commission or pending return of the information

to the person providing the information. If no determination of confidentiality has been made and the information has not been made a part of the evidentiary record in this proceeding, it shall be returned to the person providing the information. If a determination of confidentiality has been made and the information was not entered into the record of this proceeding, it shall be returned to the person providing the information within the time period set forth in Section 366.093, F.S. The Commission may determine that continued possession of the information is necessary for the Commission to conduct its business.

While it is the policy of this Commission for all Commission hearings be open to the public at all times, the Commission also recognizes its obligation pursuant to Section 366.093, F.S., to protect proprietary confidential business information from disclosure outside the proceeding. Therefore, any party wishing to use any proprietary confidential business information, as that term is defined in Section 366.093, F.S., at the hearing shall adhere to the following:

- (1) When confidential information is used in the hearing that has not been filed as prefiled testimony or prefiled exhibits, parties must have copies for the Commissioners, necessary Staff, and the court reporter, in red envelopes clearly marked with the nature of the contents and with the confidential information highlighted. Any party wishing to examine the confidential material that is not subject to an order granting confidentiality shall be provided a copy in the same fashion as provided to the Commissioners, subject to execution of any appropriate protective agreement with the owner of the material.
- (2) Counsel and witnesses are cautioned to avoid verbalizing confidential information in such a way that would compromise confidentiality. Therefore, confidential information should be presented by written exhibit when reasonably possible.

At the conclusion of that portion of the hearing that involves confidential information, all copies of confidential exhibits shall be returned to the proffering party. If a confidential exhibit has been admitted into evidence, the copy provided to the court reporter shall be retained in the Office of Commission Clerk's confidential files. If such material is admitted into the evidentiary record at hearing and is not otherwise subject to a request for confidential classification filed with the Commission, the source of the information must file a request for confidential classification of the information within 21 days of the conclusion of the hearing, as set forth in Rule 25-22.006(8)(b), F.A.C., if continued confidentiality of the information is to be maintained.

#### **V. PREFILED TESTIMONY AND EXHIBITS; WITNESSES**

Testimony of all witnesses to be sponsored by the parties and Staff has been prefiled and will be inserted into the record as though read after the witness has taken the stand and affirmed the correctness of the testimony and associated exhibits. All testimony remains subject to timely and appropriate objections. Upon insertion of a witness' testimony, exhibits appended thereto

may be marked for identification. Each witness will have the opportunity to orally summarize his or her testimony at the time he or she takes the stand, which shall be limited to three minutes. If a witness's direct and rebuttal testimonies are taken together, that witness's opportunity to orally summarize his or her testimony at the time he or she takes the stand shall be limited to six minutes.

Witnesses are reminded that, on cross-examination, responses to questions calling for a simple yes or no answer shall be so answered first, after which the witness may explain his or her answer. After all parties and Staff have had the opportunity to cross-examine the witness, the exhibit may be moved into the record. All other exhibits may be similarly identified and entered into the record at the appropriate time during the hearing.

The Commission frequently administers the testimonial oath to more than one witness at a time. Therefore, when a witness takes the stand to testify, the attorney calling the witness is directed to ask the witness to affirm whether he or she has been sworn.

The parties shall avoid duplicative or repetitious cross-examination. Further, friendly cross-examination will not be allowed. Cross-examination shall be limited to witnesses whose testimony is adverse to the party desiring to cross-examine. Any party conducting what appears to be a friendly cross-examination of a witness should be prepared to indicate why that witness's direct testimony is adverse to its interests.

## **VI. ORDER OF WITNESSES**

Each witness whose name is followed by an asterisk (\*) is excused from the hearing.

<u>Witness</u>	<u>Proffered By</u>	<u>Issues #</u>
<u>Direct</u>		
Thomas R. Koch	FPL	1, 2, 3, 4, 6, 7, 8, 9, 10
Andrew W. Whitley	FPL	2, 3, 4, 5, 6, 7, 10
Steven R. Sim	FPL	3, 4, 6
Jim Herndon	All FEECA Utilities	1, 2, 3, 5, 7-10
John N. Floyd	GULF	1-10
Scott Ranck	FPUC	1-10
Robert Camfield*	FPUC	1

<u>Witness</u>	<u>Proffered By</u>	<u>Issues #</u>
Lori Cross	DEF	1-11
Bradley E. Kushner	OUC	3, 5, 8, 9
Kevin M. Noonan	OUC	1, 2, 3, 4, 6, 7, 8, 9, 10
Donald P. Wucker	JEA	1-10
Bradley E. Kushner	JEA	1-4
Mark R. Roche	TECO	1, 2, 3, 4, 5, 6, 7, 8, 9, 10
Jim Grevatt	SACE	1-4, 6-9
Forest Bradley-Wright	SACE	2-4, 6-8

Rebuttal

Terry Deason	All FEECA Utilities (except FPUC)	3, 4, 6, 7
Jim Herndon	All FEECA Utilities (except FPUC)	1-3, 5, 7-10
Thomas R. Koch	FPL	1, 2, 3, 4, 6, 7, 8
Andrew W. Whitley	FPL	2, 3, 4, 5, 6, 7, 10
Steven R. Sim	FPL	3, 4, 6
John N. Floyd	GULF	1, 3, 6, 7, 8, 9
Lori Cross	DEF	1-10
Kevin M. Noonan	OUC	1, 2, 3, 4, 6, 7, 8, 9, 10
Donald P. Wucker	JEA	1-3, 6
Mark R. Roche	TECO	1, 2, 3, 4, 6, 7, 8, 9

## **VII. BASIC POSITIONS**

**FPL:** Pursuant to the FEECA and Rules 25-17.001 and 25-17.0021, F.A.C., FPL has proposed numeric conservation Goals for reasonably achievable demand savings (kW) and annual energy savings (kWh) for the next ten years. These Goals are based upon FPL's most recent planning process, as required by Rule 25-17.0021(3), F.A.C.

FPL followed a rigorous, six-step analytical process similar to the process it has used in past DSM Goal-setting proceedings to develop its DSM Goals. This process utilizes current forecasts and assumptions and appropriately reflects FPL's specific resource needs and system costs. Several factors have significantly affected the cost-effectiveness of DSM measures, and ultimately, FPL's proposed level of DSM Goals since the last DSM Goals proceeding. For example, current forecasted fuel costs are lower, current projected carbon dioxide emission compliance costs are lower, and FPL's generating system is more fuel-efficient. Additionally, the amount of energy efficiency projected to be delivered by federal and state codes and standards over the 10-year Goals period has increased. Each of these factors greatly benefits customers, but at the same time reduces the cost-effectiveness and availability of DSM options.

FPL's analyses demonstrate that FPL's proposed Goal of 352 MW (Summer) for the 2020-2029 DSM Goals period is the right level of DSM for FPL's customers. The resource plan that includes the RIM-based 352 MW portfolio of DSM is projected to result in the lowest levelized system average electric rates of all the resource plans analyzed and the lowest annual electric rates of any of the DSM-based resource plans analyzed. Additionally, the proposed Goals avoid cross-subsidization of DSM program participants by customers who do not participate.

SACE was the only intervenor to oppose FPL's proposed DSM Goals. However, SACE's DSM proposals are contrary to Florida Law and the Commission's rules, and would be outrageously expensive for FPL's customers. SACE did not perform Florida-specific economic evaluations that meet the criteria of Section 366.82, F.S., and Rule 25-17.0021, F.A.C. Rather, SACE recommends an arbitrary gigawatt-hour (GWh) savings Goal of 1.5% of retail sales and a low-income DSM program in which the utility's non-low-income customers and non-participating low-income customers pay the entire cost for appliance replacements for participating low-income customers.

SACE's recommended 1.5% of sales Goal is based entirely on what SACE claims two other non-Florida utilities were able to achieve in 2018. The

savings that SACE claims these two non-Florida comparison utilities achieved is overstated (by as much as 60%), an improper benchmarking approach, an apples-to-oranges comparison, not compliant with FEECA or the Commission's Rules, and cannot be reasonably relied upon with any credibility. Moreover, SACE's arbitrary savings as a percent of sales proposal would significantly increase electric rates for FPL's customers.

SACE's low-income DSM proposal is unsupported by meaningful data, beyond the scope of this Goals proceeding, and unnecessary. SACE's proposal completely abandons any meaningful consideration of cost-effectiveness and would essentially result in free appliances for participating low-income customers. SACE's low-income proposal would cost approximately \$4.1 billion over and above the 2020-2029 Goals, which would be paid for by all non-low-income customers, as well as low-income customers that do not or cannot participate.

For all the reasons discussed above, and as explained in more detail in the direct and rebuttal testimony provided by its witnesses, FPL's proposed DSM Goals should be approved. FPL's proposed Goals comply with the requirements of Section 366.82, F.S., comply with Rule 25-17.0021, F.A.C., and will result in the lowest levelized average electric rates for the benefit of all of FPL's customers, both DSM program participants and non-participants alike.

**GULF:**

It is the basic position of Gulf Power Company that the seasonal peak demand and annual energy conservation goals proposed by Gulf Power Company for the period 2020-2029 are based on a full and appropriate assessment of technical, economic and achievable potential for demand-side conservation and efficiency measures, including demand-side renewable energy systems. The proposed goals are appropriate and adhere strictly to the requirements of section 366.82, Florida Statutes and Rule 25-17.0021, Florida Administrative Code.

Gulf Power's proposed goals are cost-effective, are reasonably achievable, and are based upon Gulf's resource planning process, as required by Rule 25-17.0021. As also required by Rule 25-17.0021, the Company's proposed goals reflect consideration of "free riders" --customers who would adopt DSM measures without any utility-funded incentives-- in addition to consideration of interactions with Florida-specific building codes and federal appliance efficiency standards. In stark contrast to Gulf Power's proposed goals, the goals proposed by the Southern Alliance for Clean Energy ("SACE") are based on an arbitrary percentage of annual sales derived by reference to savings purportedly achieved by two utilities in North Carolina and Arkansas. SACE's proposals are not based on any

cost-effectiveness analysis, do not consider the effects of free-ridership and have no relationship to Gulf's resource planning process. Further, SACE Witness Grevatt does not even quantify specific numeric goals for demand but, instead, recommends that demand goals be set in a separate proceeding. In short, SACE's proposals completely cast aside all of the robust analyses required under Chapter 366, Florida Statutes and Rule 25-17.0021. SACE and Sierra Club proposed similar –albeit lower—percent of sales goals in the 2014 FEECA goal-setting dockets and such proposals were roundly rejected by the Commission as lacking any competent and substantial evidence. See, Order No. PSC-14-0696-FOF-EU at page 36. Notwithstanding the Commission's most recent order, SACE has now increased its proposal by 50 percent. Witness Grevatt's proposed ten-year energy reduction goal of 1,297 gigawatt-hours (GWh) is over 1,200 GWh higher than Gulf's current ten-year goal- an increase of over 1,400 percent. The astronomically high goals proposed by the SACE witnesses are not achievable without record-setting spending by Gulf and potentially not achievable at any cost.

In addition, SACE's proposals would result in unprecedented levels of cross-subsidization of DSM participants by the general body of customers as a whole, including low-income customers. FEECA requires the Commission to consider costs and benefits “to the general body of ratepayers as a whole, including utility incentives and participant contributions.” §366.82(3)(b), Fla. Stat. The goals proposed by Gulf Power are those which will minimize rate impacts for all customers and minimize cross-subsidies between customers. Consistent with the Commission's precedent, Gulf's proposed goals are based upon those measures which were determined to be cost-effective by a combined use of the Participant Test and the Rate Impact Measure (“RIM”) test. This economic screen accurately captures all costs and benefits of DSM which are borne by all of Gulf's customers. The Total Resource Cost (“TRC”) test advocated by SACE, in contrast, does not reflect costs to the general body of customers in the form of increased electric rates or incentives paid to participants.

For the foregoing reasons, and as set forth in the direct testimony and rebuttal testimony filed by its witnesses, Gulf Power's proposed goals should be approved. Such goals comply with the requirements of FEECA, comply with the Commission's rules, and are in the best interest of Gulf Power's customers.

**FPUC:**

FPUC's proposed conservation goals for the 2020-2029 period, as described in the testimony of FPUC's witness Scott Ranck, are based upon FPUC's most recent planning process and reflect the total winter and

summer peak demand and annual energy savings reasonably achievable in the Company's residential and commercial/industrial classes through cost-effective demand side management. They adequately reflect the costs and benefits to customers participating in DSM measures, as well as the Company's general body of ratepayers. Consistent with the FEECA statute, the Company's goals also give appropriate consideration to the need for incentives to promote efficiency and renewable systems, as well as costs associated with greenhouse gases. As such, FPUC's proposed goals are consistent with FEECA.

FPUC's proposed goals are also supported by the testimony and supporting exhibits of Nexant representative Jim Herndon. As part of a collaborative process, Nexant was retained by the FEECA utilities for the purpose of assessing the technical potential of demand-side resources for reducing customer electric demand and seasonal peak capacity demands. Nexant also assessed the economic potential and achievable potential for a subset of FEECA utilities, which included FPUC, and thereafter provided the Company with a complete Market Potential Study (MPS) that is filed with Mr. Herndon's Direct Testimony as Exhibit JH-6. In conducting the technical potential test, which serves as the foundation for assessing the economic and achievable potential, Nexant included the full application of DSM technologies commercially available to all residential, commercial, and industrial customers in FPUC's territory. The assessment utilized a current utility forecast, supported in this proceeding FPUC's witness Robert Camfield. Using its proprietary TEA-POT model, Nexant considered a wide range of energy efficiency and demand response measures, as well as rooftop solar photovoltaic systems, battery storage systems, and combined heat and power systems screening for the required sensitivities. The results of this analysis reflect that no energy efficiency measures passed the RIM test, and there are no demand reduction measures or demand-side renewable energy systems that are cost-effective for FPUC.

FPUC continues to believe that the RIM test is the appropriate test for setting Conservation Goals, particularly given FPUC's size and limited resources that can be expended for administering its conservation programs. For FPUC, none of the measures passed the cost-effectiveness screening conducted by Nexant under the RIM test, which is reflected in the goals that FPUC is requesting be set for the Company for the next 10-year period. FPUC's request that the Commission establish no goals, or goals of zero, for FPUC for the next 10-year period is therefore appropriate and should be approved consistent with the FEECA statute.

Although FPUC believes that the Commission should establish no conservation goals, or set FPUC's goals at zero for the next period, FPUC plans to update and submit its existing Conservation Programs as its Conservation and DSM plan following the Commission's decision establishing FPUC's Goals. Maintaining FPUC's existing programs would be at least marginally cost-effective, as compared to implementing new programs, and provide additional benefits to FPUC's most vulnerable customers beyond those contemplated by FEECA.

**DEF:**

DEF has been offering energy efficiency programs and measures to its customers for more than 35 years. In addition, changes in building codes and standards and economic conditions have increased the amount of efficiency that customers are undertaking on their own, without incentive from the utility. These factors reduce the number of programs and measures that DEF can cost-effectively offer its customers. Accordingly, the ten-year proposed conservation goals set forth in the testimony of DEF witness Lori Cross are based upon DEF's most recent planning process of the total, cost-effective, winter and summer peak demand (MW) and annual energy (GWH) savings reasonably achievable in the residential and commercial/industrial classes through demand side management. DEF's projections of summer and winter demand savings, annual energy savings, and participants reflect consideration of overlapping measures, rebound effects, free riders, effects of changes to building codes and appliance efficiency standards, and DEF's evaluation of conservation programs and measures.

The Company's proposed goals are based on a collection of measures and programs that pass both the Participant and Rate Impact Measure ("RIM") tests. Specifically, DEF is proposing a goal of 199 MW of winter peak demand reduction, 243 MW of summer peak demand reduction, and 166 GWh of energy reduction over the 2020-2029 time period. The proposed cost-effective DSM goals meet the requirements of Chapter 25-17, Florida Administrative Code (F.A.C.). DEF proposes that the Commission set DSM goals using the Participant and RIM tests, because these tests are well-balanced and ensure that the perspectives of participants and all other ratepayers (including non-participants) are fairly considered.

The Commission should approve DEF's overall Residential MW and GWH goals and overall commercial/industrial MW and GWH goals set forth in Ms. Cross's testimony. These goals reflect the reasonably achievable demand side management potential in DEF's service territory over the ten-year period 2020-2029 developed in DEF's planning process.

**OUC:** OUC is an electric utility within the meaning of Section 366.02(2), Florida Statutes, and is subject to FEECA. OUC's electric service area includes the City of Orlando, portions of unincorporated Orange County, and portions of Osceola County. Additionally, pursuant to an Interlocal Agreement, OUC serves the entire electric service requirements of St. Cloud and treats the St. Cloud load and customers as part of OUC's retail obligations for planning and energy conservation purposes.

OUC currently serves approximately 242,000 electric customer accounts, including approximately 211,000 electric residential customers, 25,000 electric commercial customers, and 5,700 electric industrial customers. More than 50 percent of OUC's residential customers (including those in St. Cloud) live in multi-family residences, and many of these are rental units. Additionally, a significant number of single-family residences served by OUC are renter-occupied. Approximately 40 percent of OUC's residential customers have household incomes less than \$35,000, which is approximately 1.4 times the Federal Poverty Level for a family of four.

OUC currently offers a number of programs that promote energy conservation and peak demand reduction. OUC continually seeks and implements supply-side efficiency measures. OUC also has extensive solar energy initiatives, including both demand-side and supply-side solar power projects, and OUC also obtains renewable electricity generated using landfill gas.

In the best interests of all of OUC's customers, OUC believes that the PSC should use the Rate Impact Measure, or RIM, cost-effectiveness test in establishing energy conservation, demand reduction, and demand-side renewable energy goals for OUC.

For these consolidated conservation goal-setting dockets, OUC joined with the other utilities subject to FEECA – Florida Power & Light, Duke Energy Florida, Tampa Electric Company, Gulf Power Company, Florida Public Utilities Company, and JEA – to engage Nexant, Inc. to prepare studies of the Technical Potential (“TP”), Economic Potential (“EP”), and Achievable Potential (“AP”) energy conservation for the respective utilities. OUC provided extensive load and customer forecast information, as well as system cost and avoided-cost information to support Nexant's analyses, which culminated in the Market Potential Study for OUC (“MPS”). Nexant's analyses were based on OUC's information as well as data and information developed by Nexant in preparing the MPS, and included projected costs associated with potential future regulation of carbon dioxide (“CO<sub>2</sub>”) or greenhouse gas emissions. Nexant's MPS for OUC includes analyses of the TP, EP, and AP for energy conservation by

OUC, including analyses of several hundred unique measures combined in several thousand permutations of those measures.

Nexant's MPS includes the results of cost-effectiveness analyses of these measures using the RIM test, the Total Resource Cost ("TRC") test, and the Participant Test. Nexant's analyses conclude that (a) none of the energy efficiency ("EE") measures for residential applications passed the RIM test; (b) only one out of all of the EE measures studied (a commercial/industrial exterior lighting measure) passed the RIM test, and that measure would provide negligible energy savings (600 kilowatt-hours per year); (c) there are no cost-effective Achievable Potential savings available to OUC from demand reduction ("DR") measures; and (d) there are no cost-effective Achievable Potential savings for OUC from demand-side renewable energy ("DSRE") systems, including solar PV, battery storage, and Combined Heat & Power ("CHP") systems.

These results, along with OUC's proven track record of energy conservation achievements, lead OUC to conclude that the PSC should not establish any mandatory energy efficiency, demand reduction, and demand-side renewable energy goals for OUC for the period 2020 through 2029. Alternately, the PSC should set OUC's goals at zero for this goal-setting period. OUC has consistently exceeded its FEECA Goals with measures developed on OUC's initiative. OUC will continue to develop and implement energy conservation, demand reduction, and demand-side renewable measures, as well as supply-side solar and other renewable energy initiatives, based on OUC's unique characteristics, OUC's knowledge of its system and customer base, and changing circumstances in the energy sector. Allowing OUC to pursue this course, as it has successfully done for years, will serve the State's policies set forth in FEECA and meet the needs and circumstances of OUC's customers better and more effectively than if OUC were required to comply with mandatory goals.

**JEA:**

The Commission should use the Rate Impact Measure (RIM) test and Participants test to set DSM goals. Use of the RIM test to ensure no impact to rates is particularly appropriate for municipal utilities, like JEA, over which the Commission does not have ratemaking authority. In this case, no residential or commercial/industrial measures passed the RIM test. Accordingly, consistent with prior agency practice, the Commission should set goals of 0 MW (summer and winter) and 0 MWh (annual energy) for both residential and commercial/industrial classes. The Commission should not establish additional goals for increasing the development of demand-side renewable energy systems.

**TECO:** Based on the analysis performed by Tampa Electric for this current demand side management ("DSM") goals setting process, the company's reasonably achievable generator level RIM-based DSM goals for 2020-2029 period are 79.7 MW of summer demand savings, 43.3 MW of winter demand savings, and 165.0 GWH of annual energy savings. These amounts are detailed on an annual basis for both the residential and commercial/industrial sectors in Document No. 1 of Mr. Mark R. Roche Exhibit (MRR-1).

The conclusions reached by the Southern Alliance for Clean Energy ("SACE") in this proceeding do not give effect to Florida law and applicable rules of the Commission. Their recommended DSM goals are vastly overstated and, if adopted, would have a monumental negative impact on Tampa Electric's rates and charges from the perspective of the customers the company serves.

**OPC:** 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.

**FDACS:** Pursuant to Section 366.81, F.S., the Legislature finds and declares that it is critical to utilize the most efficient and cost-effective demand-side renewable energy systems and conservation systems in order to protect the health, prosperity, and general welfare of the State and its citizens. Reduction in, and control of, the growth rates of electric consumption and weather-sensitive peak demand are of particular importance. The goal of Florida's energy policy should be to secure a stable, reliable and diverse supply of energy in order to meet the demands of Florida's growing population. An all-of-the-above approach must be employed in order to meet this objective and that includes energy efficiency and conservation measures.

In establishing and setting goals to meet these mandates, the Commission should consider various policy options to achieve a least-cost strategy, employ market-based technologies, and yield greater efficiencies of electric consumption. The effects of non-utility programs that are targeted at reducing and controlling the per capita use of electricity in Florida should be considered, as well as the impact of state and local building codes and appliance efficiency standards. These factors may increase energy efficiency and reduce or control the per capita use of electricity in the State, and thus reduce the level of appropriate goals and need for utility-sponsored programs. The Commission should balance the importance of pursuing energy efficiency and conservation programs against the cost of the programs and their impact on all ratepayers. Finally, the Commission should continue to encourage the FEECA Utilities to maintain and develop energy efficiency and conservation programs targeted for low-income customers, and continue to educate and assist these customers, which are least able to afford energy efficiency improvements.

**SACE/  
LULAC:**

By passing the Florida Energy Efficiency and Conservation Act (“Energy Efficiency Act”), the Florida legislature has recognized the importance of curbing electricity consumption, increasing energy efficiency, and promoting demand-side renewable energy to securing the economic future and health of Florida’s citizens. To meet these objectives, the Energy Efficiency Act allocates responsibility to the Florida Public Service Commission (“Commission”) to oversee the actions of Florida’s major utilities. A major element of this responsibility involves the Commission’s oversight over the utilities’ conservation goals to ensure that the utilities meaningfully integrate lower cost and lower risk demand-side energy efficiency and renewable resources into Florida’s energy resource portfolio. SACE and LULAC have intervened to help the Commission set goals that maximize utility investment in cost-effective energy efficiency, the cleanest and cheapest resource to meet Floridians’ power needs, and focus attention on the needs of low income communities and the high energy burdens that they face.

Florida Power & Light Co. (“FPL”), Duke Energy Florida (“DEF”), Gulf Power Company (“Gulf”), JEA, Orlando Utilities Commission (“OUC”) and Tampa Electric Company (“TECO”) (collectively, “the utilities”) propose unreasonably low savings goals, and in many cases, zero savings goals. These inadequate goals are the direct result of utility-introduced analytical defects that compound on each other to exclude cost-effective measures. At every step of the goal-setting process, the utilities have used

faulty assumptions, inappropriate and arbitrary screens, and erroneous methodologies that improperly narrowed the universe of achievable potential. Furthermore, by failing to consider the early retirement of inefficient measures, as well as assuming unrealistic labor needs, the utilities have improperly reduced the technical potential of energy efficiency measures.

These flaws in the technical potential compound the multiple deficiencies in the utilities' economic potential, resulting in inaccurate and misleading reductions to the cost-effectiveness of possible measures. First, several of the utilities define administrative costs as directly proportional to energy saved, ensuring that measures with the most energy savings will have the highest administrative costs. The utilities have even applied this calculation of administrative costs to known low-cost, high-savings measures like LED lightbulbs, resulting in inflated administrative costs for the most energy efficient measures. Second, TECO and FPL have failed to "reshuffle" the technical potential of their measures when conducting their economic potential analyses. This has allowed TECO and FPL to exclude whole families of measures should the most efficient measure of that family fail the economic screen, with no consideration of the cost-effectiveness of slightly less efficient measures.

Reliance on the Rate Impact Measure ("RIM") cost effectiveness test represents another flaw in the utilities' economic potential analysis. As Mr. Grevatt testifies, the RIM test should not be used to screen efficiency measures at the goals setting stage. Ratepayer impacts are important, however, the RIM test does not accurately calculate them compared to other methods. The Total Resource Cost ("TRC") test more accurately depicts the costs and benefits of energy efficiency for *all* ratepayers in Florida, including program non-participants.

The utilities justify their usage of the RIM test by citing concerns of cross-subsidization. However, concerns about cross-subsidization do not justify making everyone pay higher bills on average than would occur if the TRC test was utilized to set goals. Energy efficiency is the least cost resource and can defer or even prevent the need for additional power generation, which have historically caused rate impacts on *all* ratepayers that dwarf any DSM cross-subsidization. With widely available DSM programs, customers can *choose* whether to participate and lower their bills. Even if a customer in no way causes the need for additional supply-side generation, they have no choice but to pay the higher rates *and* bills that follow that construction.

Usage of the 2-year payback screen to account for free-ridership provides

another improper limitation on the measures to be considered when setting conservation goals. There are two main flaws regarding application of the 2-year payback screen: (1) The utilities have offered no evidence that a 2-year payback period alone is sufficiently accurate to predict customer adoption of measures and (2) the 2-year payback screen is redundant and double-counts potential “free-riders” because it screens out measure adoption already accounted for in the baseline load forecast. As a result of these flaws, the 2-year payback screen excludes measures that may in fact harbor little risk of free-ridership. Furthermore, excluding the most cost-effective DSM measures (those with a payback of less than 2-years) does a great disservice to the low-income community, and, as a matter of policy, makes little sense, since if measures pass the RIM test, greater employment of the measures would put downward pressure on rates, and if they pass the TRC test, would tend to lower average bills. In either case, systematic benefits mean that as a matter of policy, employing cost-effective DSM should not be stopped by the mere possibility that some small portion of the DSM may have been deployed absent a utility-program.

These flaws in the economic and technical potential come to a head in the achievable potential where further analytical flaws compound the limitations from the previous steps. These flaws include limiting incentives to a 2-year payback such that it is assumed no one will adopt the measures and thus there is no achievable potential.

By systematically and artificially constraining the energy efficiency potential, the utilities would condemn Floridians to a future of ever continuing growth in electricity demand and, with it, the need for additional, more expensive supply-side resources to meet electricity demand. This scenario is a favorable one for utility shareholders, who benefit from a return on equity from additions to the rate base, but the same is not true for utility customers.

The Commission should set meaningful goals that require the utilities to aggressively and broadly invest in and deliver energy efficiency. Comprehensive, well-run programs will allow all customers to save energy, lower their electricity bills and allow utilities to lower their overall system cost and risk.

Furthermore, under the Energy Efficiency Act, demand-side renewable energy goals are not optional. SACE and LULAC propose the utilities adopt a pilot program of investing in photovoltaic (“PV”) solar installations coupled with battery storage at schools that are designated as storm shelters. With hurricanes a continuing risk with the concurrent

widespread power outages they cause, coupling solar with battery back-up at schools that serve as storm shelters will aid in storm resiliency and ensuring that shelters can continue to provide electricity for vital needs. During normal operations, solar plus battery storage can reduce demand at peak and therefore help reduce overall peak demand.

**PCS:**

PCS Phosphate supports the energy efficiency and peak load reduction goals and priorities expressed in the Florida Energy Efficiency and Conservation Act (“FEECA”), Section 366.82, F.S. Specifically, FEECA directs the Commission to set “. . . goals designed to increase the conservation of expensive resources, such as petroleum fuels, to reduce and control the growth rates of electric consumption, to reduce the growth rates of weather-sensitive peak demand, and to encourage development of demand-side renewable energy resources.” PCS also supports the Commission’s rules implementing FEECA’s requirements which not only echo these goals, but further note that “[r]eduction in, and control of, the growth rates of electric consumption and of weather-sensitive peak demand are of particular importance.” F.A.C. § 25-17.001.

The purpose of the five-year cycle of review of utility conservation goals is to reinforce the system-wide benefits of cost-effective programs, remain mindful of the cost and rate impacts to all consumers, and to re-direct utility efforts as needed to better serve FEECA’s stated priorities. That purpose does not include the manufacture of new sets of priorities. Neither does it include arbitrary spending targets divorced from accepted measures of program cost-effectiveness. As in past proceedings, PCS Phosphate continues to support the Participant Test and Rate Impact Measure (“RIM”) test to evaluate the costs and benefits of particular measures.

In this case, PCS Phosphate considers the numeric conservation goals proposed by Duke Energy Florida (“DEF”) to represent a reasonable balance of encouraging demand-side management while managing the cost and rate impacts on its customers in a manner that is consistent with FEECA’s expressed aims.

**WALMART:**

The Commission should determine whether the goals proposed by the Companies and Intervenors achieves the legislative intent of the Florida Energy Efficiency and Conservation Act (“FEECA”) which is to utilize renewable energy systems and conservation systems in order to protect the health, prosperity, and general welfare of the state and its citizens, while reducing and controlling the growth rates of electric consumption and of weather-sensitive peak demand, and Section 366.82(2), F.S., to increase conservation of expensive resources, to reduce and control the growth

rates of electric consumption, to reduce the growth rates of weather-sensitive peak demand, and to encourage development of demand-side renewable energy resources.

Walmart opted not to submit testimony in these consolidated cases and takes no position at this time whether the goals proposed by the Companies and Intervenors achieve the intent of FEECA.

**FIPUG:**

Conservation is an important aspect of every utility's portfolio. However, the importance of pursuing conservation programs must be balanced against the cost and the impact of such cost on ratepayers. The Commission must not overlook rate impact as it evaluates conservation goals and programs.

Cost effective load management programs, such as interruptible programs, play an important role in conservation and should be encouraged. Interruptible programs allow large customers to minimize demand when a utility needs resources to maintain service to its firm customers.

The Commission should also more strongly encourage cogeneration and remove barriers to its efficient use. Cogeneration typically consumes no fossil fuel and requires no additional water consumption. Certain types of cogeneration, such as generating facilities that make use of waste heat, produce no environmental emissions. Cogeneration facilities also allow utilities to avoid consuming expensive fossil fuel and thus, also avoid the resultant emissions.

To encourage additional cogeneration and to more fully utilize existing cogeneration, the Commission should permit Multiple Load Management (MLM). MLM should be used to allow customers to more fully utilize existing cogenerated capacity/energy. MLM would allow a customer to centrally manage power and energy usage at multiple locations (owned and controlled by the customer) throughout the utility's service area. It would also allow the use of surplus capacity/energy from cogeneration to displace utility capacity/energy purchases at other locations (*i.e.*, self-service wheeling). The use of MLM would allow cogenerated power to be economically developed and fully utilized and would encourage more widespread and more efficient use of cogeneration.

The Commission should conduct an investigation to consider MLM as described above and to audit or otherwise evaluate how the utilities calculate avoided costs in determining cost-effectiveness and in determining the real-time hourly payments for cogenerated energy. This would help to ensure that viable cogeneration projects are developed.

**STAFF:** Staff's positions are preliminary and based on materials filed by the parties and on discovery. The preliminary positions are offered to assist the parties in preparing for the hearing. Staff's final positions will be based upon all the evidence in the record and may differ from the preliminary positions.

**VIII. ISSUES AND POSITIONS\***

\*Not all positions apply to every docket because some intervenor parties only requested to intervene in certain dockets, instead of all dockets.

**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.?**

**POSITIONS**

**FPL:** Yes. An outside consultant, Nexant, performed the Technical Potential Study for each of the FEECA Utilities. The analysis required extensive iterative work and continuous collaboration to ensure that it was comprehensive and resulted in a thorough and wide-ranging reassessment of conservation and efficiency measures. (Koch, Herndon)

**GULF:** Yes. Through the robust and thorough Market Potential Study performed by Nexant, Inc., Gulf has performed an adequate assessment of the full technical potential of all demand-side conservation and efficiency measures, including demand-side renewable energy systems, of measures that are available in Florida and for which valid measure cost and savings data was available. This assessment included the evaluation of 278 individual end-use energy efficiency, demand response and solar photovoltaic measures. Gulf has not conducted an assessment of supply-side efficiencies in the same manner as its assessment of demand-side measures. Consistent with Rule 25-17.001(5), Florida Administrative Code, Gulf routinely considers energy efficiency in selecting supply-side projects across generation, transmission and distribution functions. Supply-side efficiencies are considered in utility Ten Year Site Plans and in connection with need determinations for new generation resources. In light of the foregoing, and because there are no guidelines in place in this docket which would provide a methodological approach to identifying, quantifying and proposing goals for supply-side efficiencies, Gulf does not believe that consideration of supply-side efficiencies is appropriate in this proceeding. (Herndon, Floyd)

- FPUC:** Yes. The Company's proposed goals for the next planning period are based upon the Company's most recent planning process and reflect a full and complete analysis of a wide range of available DSM measures and supply-side conservation and efficiency measures consistent with Section 366.82, Florida Statutes. The technical potential study performed by Nexant, as described in the testimony of witness Jim Herndon, provided an adequate assessment of the full technical potential of these measures, including assessment of demand-side renewable energy systems utilizing its extensive expertise and proprietary TEA-POT model. (Ranck, Herndon, Camfield)
- DEF:** Yes, the technical potential, that is the basis for the proposed goals, includes an evaluation of all potential demand-side conservation and efficiency measures and demand-side renewable energy systems. Demand-side renewable energy systems were evaluated based on the same cost effectiveness standards that were used to evaluate other energy efficiency measures. No renewable measures were found to be cost-effective and therefore, none are included in the proposed goals. (Cross, Herndon)
- OUC:** Yes. OUC's proposed goals are based on a sound assessment of the full technical potential of all available demand-side and supply-side conservation and efficiency measures, including demand-side renewable energy resources. (Herndon, Noonan)
- JEA:** Yes. JEA's proposed goals are 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. Consistent with the other FEECA utilities, JEA engaged Nexant to evaluate DSM measures in JEA's service territory. Nexant analyzed the technical potential for energy efficiency, demand response, and demand side renewable energy across residential, commercial, and industrial customer classes for the 2020-2029 time period. For JEA, Nexant also conducted the economic screening for the economic and achievable scenarios and analyzed economic potential and achievable potential based on the passing measures. (Wucker; Kushner, Herndon)
- TECO:** Yes. Tampa Electric worked in concert with the other FEECA utilities and Nexant to develop a new Technical Potential Study. This new Technical Potential Study for Tampa Electric was based upon the full load forecast for the company which ensures the proposed goals are based on an adequate assessment of the full technical potential of all available demand-side and efficiency measures, including demand-side renewable energy systems, pursuant to Section 366.82(3), F.S. (Roche)

**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.

**FDACS:** The Companies' proposed goals appear to be an adequate assessment of the full technical potential of all available demand-side and supply-side conservation and efficiency measures. However, a thorough examination and analysis of this issue by the Commission is necessary.

**SACE/  
LULAC:** No. Among other things, the utilities ignore the possibility of early retirement of measures and overinflate the labor costs to install certain measures, increasing the applicable costs. (Witness Grevatt)

**PCS:** No position.

**WALMART:** No position.

**FIPUG:** No position.

**STAFF:** Staff has no position pending evidence adduced at the hearing.

**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.?**

## **POSITIONS**

**FPL:** Yes. In developing its proposed DSM Goals, FPL used the Participant screening test to analyze the potential cost-effectiveness of DSM

measures. The Participant screening test fully accounts for all potential benefits and costs that are received and/or incurred by a potential participant in a DSM measure. Only those measures which pass the Participant screening test have been included in FPL's proposed Goals. (Koch, Whitley)

**GULF:** Yes. The measures included in the development of Gulf's goals adequately reflect the costs and benefits to participating customers, which Gulf accomplished by performing the Participant's Test and requiring that all measures included in the goals pass this test. Measures which are not cost-effective to the participating customer are therefore not reflected in the Company's proposed DSM goals. (Floyd)

**FPUC:** Yes. The Company's proposed goals adequately reflect the costs and benefits to participating customers as reflected by the outcome of Nexant's cost-effectiveness evaluation, which included an analysis of the costs and benefits to FPUC's customers through the application of the Participants test. (Ranck, Herndon)

**DEF:** Yes. The proposed goals are based on measures that pass the Participant Cost Test. This test compares the incremental cost to participants to the participant benefits (bill savings). This ensures that the measures provide net benefits to participants. (Cross)

**OUC:** Yes. OUC's proposed goals are based on a full consideration of Nexant's Participant Test analyses, and those analyses adequately and reasonably reflect the costs and benefits to customers who might participate in the DSM measures and programs studied. Thus, OUC's proposed goals adequately reflect the costs and benefits to participating customers. (Herndon, Noonan)

**JEA:** Yes. JEA's proposed goals adequately reflect the costs and benefits to customers participating in the measure, pursuant to Section 366.82(3)(a). JEA's proposed goals are based on forecasts of achievable potential that are driven primarily by measure-level assessments of cost-effectiveness to customers. Specifically, customer cost-effectiveness is assessed using the Participant Test, where benefits are calculated based on customer bill savings and costs are based on participant costs of acquiring and installing the energy efficiency measure (net of utility program incentives). Both the participant benefits and participant costs are assessed on present value basis over the life of the measure. (Wucker, Kushner, Herndon)

**TECO:** Yes. Tampa Electric utilized the Participant Cost Test ("PCT") as delineated in Rule 25-17.008, F.A.C., to adequately reflect the costs and

benefits to customers participating in a DSM measure thereby adhering to the requirement of Section 366.82(3)(a), F.S. (Roche)

**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.

**FDACS:** The Companies' proposed goals appear to adequately reflect the costs and benefits to customers participating in the measures. However, a thorough examination and analysis of this issue by the Commission is necessary. The Commission should consider policy options that can be implemented to achieve least-cost strategies that take into account the costs and benefits of the programs and their impact on all ratepayers.

**SACE/  
LULAC:** No. Among other things, by placing the economic potential of many measures at zero even when they are cost-effective, the utilities underestimate the benefits of many measures. By narrowly focusing on RIM and inflating certain labor and administrative costs, the utilities do not properly consider the benefits to low income communities. (Witnesses Grevatt and Bradley-Wright)

**PCS:** Yes.

**WALMART:** No position.

**FIPUG:** In answering this question, the Commission must balance the goal of conservation with the impact of the cost of conservation programs on rates. The Commission must not overlook rate impact when conservation goals and programs are evaluated.

**STAFF:** Staff has no position pending evidence adduced at the hearing.

**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.?**

## **POSITIONS**

**FPL:** Yes. FPL's proposed DSM Goals reflect measures that passed the RIM screening test. The RIM screening test accounts for all of the benefits and costs that are received and/or incurred by all of a utility's customers, both participants and nonparticipants alike, that result from a specific DSM measure. The TRC screening test, on the other hand, does not account for all of the relevant DSM-related cost impacts that will be incurred by the utility's customers. The TRC test omits incentive payments made to DSM program participants, which are costs that are recovered from all of the utility's customers. The TRC test also omits the impact of unrecovered revenue requirements on a utility's electric rates. Thus, the TRC screening test does not appropriately assess the cost impacts of DSM measures on the general body of customers as a whole. Use of the RIM test, in conjunction with the Participant test, appropriately satisfies the criteria in Section 366.82(3)(b) at the measure screening stage. Importantly, the costs and benefits to the general body of customers is also assessed by FPL in the subsequent system analysis stage of its Integrated Resource Planning (IRP) work and reflected in FPL's proposed Goals. In that IRP stage, various DSM portfolios and a supply-only portfolio were analyzed to determine which would be the best portfolio for FPL's customers. FPL's proposed Goals reflect the RIM 352 Summer MW portfolio, which results in the lowest levelized average electric system rate for all customers. (Koch, Whitley, Sim, Herndon, Deason)

**GULF:** Yes. By passing the RIM test, Gulf's proposed goals reflect the costs (including incentives) and benefits that minimize overall rate impacts for the general body of customers, whether or not they participate in one of the resulting conservation programs. In addition, by only including measures that also pass the Participant's Test, these proposed goals adequately consider participant contributions as a component of overall customer impact. The TRC test, on the other hand, does not reflect all DSM-related costs to the general body of ratepayers as required by Section 366.82(3)(b). The TRC test omits both the incentives paid to participating customers and the economic impact of unrecovered revenue requirements on electric rates – costs borne by all of Gulf's customers. The TRC test, therefore, does not adequately reflect the costs or the benefits to the general body of ratepayers. (Floyd, Deason)

- FPUC:** Yes. FPUC's proposed goals are consistent with the outcome of Nexant's cost effectiveness evaluation of the achievable potential of DSM measures on FPUC's system, which included consideration of the benefits to the general body of FPUC ratepayers through application of the Participants test and Ratepayer Impact Measure (RIM) test. (Ranck, Herndon)
- DEF:** Yes, the proposed goals do adequately reflect the costs and benefits to the general body of ratepayers, as a whole, because the goals are based on measures that pass both the Rate Impact Measure (RIM) and Participant tests. The Participant and RIM tests, in tandem with each other, effectively ensure both participants and non-participants benefit. (Cross, Deason)
- OUC:** Yes. OUC's proposed goals adequately and reasonably reflect the costs and benefits of potential customer-funded DSM measures to the general body of OUC's ratepayers considered as a whole, including consideration of utility incentives and participant contributions. The costs and benefits to OUC's general body of customers are fully reflected in Nexant's RIM test analyses, which show that no residential energy efficiency measures, no residential demand reduction measures, no commercial or industrial demand reduction measures, and no demand-side renewable energy measures are cost-effective to OUC's general body of ratepayers. There is one commercial/industrial energy efficiency measure, an exterior lighting controls measure, that passes the RIM test, and that measure would provide truly minimal energy savings – a total of roughly 6,000 kilowatt-hours over the entire ten-year goals period, or an average of roughly 600 kWh per year, which is less electricity than a single residential customer uses in a month. OUC's proposed goals of zero adequately and appropriately reflect the fact that, for all practical purposes, there are no measures available to OUC that would be cost-effective to OUC's general body of ratepayers. (Herndon, Kushner, Noonan, Deason)
- JEA:** Yes. JEA's proposed goals are based on achievable potential that included consideration of the costs and benefits to the general body of ratepayers as a whole, including utility incentives and participant contributions, through use of the RIM and Participant tests. (Wucker, Kushner, Herndon, Deason)
- TECO:** Yes. Tampa Electric utilized the cost-effectiveness methodologies as delineated in Rule 25-17.008, F.A.C., to adequately reflect the costs and benefits to the general body of ratepayers as a whole, including utility incentives and participant contributions. (Roche)

- 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.
- FDACS:** The Companies' proposed goals appear to adequately reflect the costs and benefits to the general body of rate payers as a whole, including utility incentives and participant contributions. However, a thorough examination and analysis of this issue by the Commission is necessary. The Commission should consider policy options that can be implemented to achieve least-cost strategies that take into account the costs and benefits of the programs and their impact on all ratepayers.
- SACE/  
LULAC:** No. Among other things, by improperly focusing on the RIM test, the utilities ignore the real costs and benefits to the general body of ratepayers as a whole. The RIM test focuses on lost revenue to the utility. Total system costs, as reflected in the TRC test, better reflect the costs and benefits to the general body of ratepayers as a whole; therefore, only the TRC test meets the requirements of the statute. Additionally, measures that assist low income communities are improperly screened out by the RIM test. (Witnesses Grevatt and Bradley-Wright)
- PCS:** Yes.
- WALMART:** No position.
- FIPUG:** In answering this question, the Commission must balance the goal of conservation with the impact of the cost of conservation programs on rates. The Commission must not overlook rate impact when conservation goals and programs are evaluated.
- STAFF:** Staff has no position pending evidence adduced at the hearing.

**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.?**

**POSITIONS**

**FPL:**             Yes. Cost-effective incentives for participating customers are reflected in FPL’s proposed Goals because they are included and considered in the Participant and RIM screening tests. There is no need to establish incentives for utilities in this proceeding. (Koch, Whitley, Sim, Deason)

**GULF:**             Yes. Gulf’s proposed goals were developed utilizing the RIM and Participant’s tests. In practice, these tests provide incentives to participating customers through the payment of rebates, to the general body of customers by preventing cross-subsidization between DSM program participants and non-participants, and to the utility by ensuring that incorporation of DSM in the resource planning process results in net benefits that put downward pressure on rates. Gulf Power does not believe that additional utility incentives are necessary under a RIM-based goal proposal. (Floyd, Deason)

**FPUC:**             Yes. The Company’s goals adequately reflect the need for incentives to promote energy efficiency and demand-side renewable systems. This analysis was accomplished by incorporating FPUC program costs and utility incentive costs, along with consideration of economic constraints and market demand for DSM services in Florida, in Nexant’s analysis of the achievable potential of DSM measures on FPUC’s system. (Ranck)

**DEF:**             Yes. DEF does not believe there is currently a need for incentives to promote demand-side renewable energy systems as the demand-side renewable market has continued to mature and there has been significant growth in customer sited demand-side renewable energy systems. Florida currently ranks among the top ten states based on the cumulative amount of solar electric capacity installed. The cost to install solar has dropped significantly in recent years, and with that, DEF is seeing continued growth in the number of customers installing demand-side renewable systems on their own, without incentives from the utility. In 2018, DEF added an average of over 400 net metered customers each month, and through April 2019, that number has grown to over 700 net metered customers each month. (Cross, Deason)

**OUC:** Yes. OUC'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. (Noonan, Deason)

**JEA:** Yes. JEA has comprehensively analyzed customer-owned energy efficiency measures and none were found to be cost-effective. JEA's load forecast reflects the impacts of net metering associated with customer-owned rooftop solar photovoltaic (PV) systems, and this load forecast was used as the basis for the cost-effectiveness analysis performed for this Docket. As such, incentives to promote customer-owned demand-side renewable energy systems are adequately reflected in JEA's proposed goals. Utility-owned energy efficiency and renewable energy systems are supply-side issues. (Wucker, Kushner)

**TECO:** Yes. For measures that remained cost-effective after taking into account administrative costs but with no incentives, and after the two-year payback screen, Tampa Electric chose incentive levels that would maximize the achievable potential. Demand side renewable systems proved to remain non-cost effective. In addition, Tampa Electric does not believe incentives for demand side renewable systems are necessary under a Rate Impact Measure ("RIM") based goals model due to the large amount of naturally occurring installations of these systems. (Roche)

**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.

**FDACS:** In determining whether the proposed goals reflect the need for incentives to promote both customer-owned and utility-owned energy efficiency and demand-side renewable energy systems, the Commission should examine and consider the impact of state and local building codes and appliance efficiency standards on the need for utility-sponsored measures and programs. The Commission should consider policy options that can be implemented to achieve least-cost strategies that take into account the costs and benefits of the programs and their impact on all ratepayers.

**SACE/**

**LULAC:** No. The utilities' analysis to arrive at their proposed goals are deeply flawed and arbitrarily stop at a 2-year payback, artificially limiting available market penetration and energy efficiency, including for low income communities. (Witnesses Grevatt and Bradley-Wright)

**PCS:** No position.

**WALMART:** No position.

**FIPUG:** In answering this question, the Commission must balance the goal of conservation with the impact of the cost of conservation programs on rates. The Commission must not overlook rate impact when conservation goals and programs are evaluated.

**STAFF:** Staff has no position pending evidence adduced at the hearing.

**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.?**

**POSITIONS**

**FPL:** Yes. FPL accounted for forecasted CO<sub>2</sub> compliance costs in a sensitivity screening analysis. The forecast is a "composite" CO<sub>2</sub> cost forecast based on separate forecasts from FPL and Duke Energy Florida ("DEF"), which allowed FPL, DEF, and Orlando Utility Commission ("OUC) to utilize a single CO<sub>2</sub> compliance cost forecast in their analyses as directed by Order No. PSC-2019-0062-PCO-EI. Forecasted CO<sub>2</sub> compliance costs are currently projected to be zero until the late 2020s when non-zero costs begin to appear and then gradually increase over time. FPL's sensitivity screening analysis demonstrated that the number of measures passing changed only slightly when CO<sub>2</sub> compliance costs were included. Accordingly, FPL's proposed Goals adequately reflect these forecasted costs. (Whitley)

**GULF:** Yes. Gulf is not incurring costs associated with state or federal regulations on the emission of greenhouse gasses. Therefore, Gulf has not included assumptions for costs of greenhouse gas emissions in the development of its proposed goals. Gulf's DSM evaluations are consistent with the statute's directive and with the assumptions used in determining the next generating unit identified in the Company's 2019 Ten Year Site Plan. (Floyd)

- FPUC:** Yes. (Ranck)
- DEF:** Yes. Given the uncertainty of future carbon regulation, it is reasonable to exclude the cost of carbon emissions in this goal setting process. (Cross)
- OUC:** Yes. Even though there are no current or pending state or federal regulations applicable to greenhouse gas emissions, OUC's proposed goals are based on cost-effectiveness analyses, conducted by Nexant, that include the projected costs of carbon dioxide ("CO<sub>2</sub>") emissions regulation based on the projected timing of CO<sub>2</sub> regulation and the projected CO<sub>2</sub> emissions prices, in dollars per ton, used by Florida Power & Light Company and Duke Energy Florida in their cost-effectiveness analyses for these consolidated conservation goals dockets. (Herndon, Kushner)
- JEA:** Yes. There currently are no costs imposed by State and Federal regulations on the emissions of greenhouse gases (GHG). While there is much speculation on the potential for GHG regulations, it would be inappropriate to establish DSM goals that would increase customer rates based on speculation related to yet-to-be defined potential regulations of GHG emissions. (Wucker)
- TECO:** Yes. Currently there are no state or federal regulations on the emissions of greenhouse gases nor is there any time horizon established on which any such regulation may be enacted. Therefore, the appropriate greenhouse gas emissions cost utilized by Tampa Electric in the determination of its proposed DSM goals was zero. (Roche)
- OPC:** No. Currently, there are no costs imposed by state or federal regulations on the emission of greenhouse gases.
- FDACS:** The Companies' proposed goals appear to adequately reflect the costs imposed by state and federal regulations currently in existence, on the emission of greenhouse gases over the past five years.
- SACE/  
LULAC:** No. Given the climate crisis, and a bi-partisan bill currently pending in Congress on carbon fees, some cost for greenhouse gas emissions over the 10-year planning horizon should be assumed.
- PCS:** No position.
- WALMART:** No position.

**FIPUG:** The cost of greenhouse gas regulation should be based on regulations currently in effect, not regulations that may or may not be implemented at some point in the future.

**STAFF:** Staff has no position pending evidence adduced at the hearing.

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

### **POSITIONS**

**FPL:** The Commission should use the RIM preliminary economic screening test in setting DSM Goals pursuant to Section 366.82, F.S., consistent with its historic policy decisions and rationale for doing so. The RIM test accounts both for the cost of incentives paid to program participants, which are paid for by the general body of customers through the ECCR, and unrecovered revenue requirements, which puts upward pressure on rates for the general body of customers. Both of these extremely important considerations are ignored by the TRC test. Relying on the TRC test results in cross subsidies between customers. FPL's proposed DSM Goals minimize rate impacts to its customers and avoid cross subsidies between non-participants and participants because they are based on measures that passed the RIM economic screening test and because they reflect FPL's resource planning process. FPL's proposed Goals are projected to result in the lowest levelized system average electric rates of all the resource plans analyzed. (Koch, Whitley, Sim, Deason)

**GULF:** The Commission should use the combination of RIM and Participant's tests to set goals for Gulf Power. This combination of tests is consistent with long-standing Commission precedent and the language contained within section 366.82(3)(b), Florida Statutes. These tests provide an appropriate balance between participating and non-participating customer benefits and ensure downward pressure on overall electric rates. The TRC test, on the other hand, does not reflect all costs to the general body of ratepayers as required by Section 366.82(3)(b). (Floyd, Deason)

**FPUC:** The Commission should use the results of the RIM Test as the threshold for setting DSM goals. If the results of the RIM test indicate a DSM measure may be cost-effective, then it should also be required to pass both the TRC test and the Participants test. (Ranck)

**DEF:** The Commission should establish goals based on measures that are cost effective based on both the RIM and Participant tests. (Cross, Deason)

**OUC:** The PSC should base any goals that it establishes for OUC on the RIM test, to ensure that any required measures must be cost-beneficial to OUC's general body of customers. This is particularly important because it will minimize or eliminate any cross-subsidization of participating customers by non-participating customers, and it is also important because the PSC does not have rate setting jurisdiction over OUC. Nexant's RIM analyses show that OUC's proposed goals of zero are most appropriate for the following reasons: (a) only one of the EE measures studied (a commercial/industrial exterior lighting measure) passes the RIM test, and that measure would provide negligible energy savings; (b) there are no Achievable Potential savings available to OUC from DR measures; and (c) there are no cost-effective Achievable Potential savings for OUC from demand-side renewable energy systems, including solar photovoltaic ("PV"), battery storage, and CHP systems. (Noonan, Deason)

**JEA:** Section 366.82, Florida Statutes, requires the Commission to consider, among other things, the costs and benefits to the participating ratepayers as well as the general body of ratepayers as a whole, including utility incentives and participant contributions. However, Section 366.82 does not dictate which cost-effectiveness test must be used to establish DSM goals. JEA believes the Commission should use both the RIM and Participant test in setting DSM goals. When used in conjunction with each other, these tests fulfill the Commission's statutory obligations. Specifically, the Participant test includes all of the relevant benefits and costs that a customer who is considering participating in a DSM measure would consider; whereas the RIM test includes all of the relevant benefits and costs that all of the utility's customers as a whole would incur if the utility implements a particular measure.

Because the RIM test ensures no impact to customers' rates, it is particularly appropriate in establishing DSM goals for municipal utilities, such as JEA. Local governing is a fundamental aspect of public power. It provides the necessary latitude to make local decisions regarding the community's investment in energy efficiency that best suit our local needs and values. Accordingly, as the Commission has recognized in prior proceedings, it is appropriate to set goals based on RIM, but to defer to the municipal utilities' governing bodies to determine the level of investment in any non-RIM based measures. (Wucker, Deason)

**TECO:** The Commission should use the RIM test in conjunction with the PCT test to establish DSM goals. As history has proven, these tests allow the

accomplishment of significant DSM development without placing undue upward pressure on rates or creating winners and losers by the cross-subsidization among participants and non-participants. (Roche)

**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.

**FDACS:** The Commission’s current practice of setting goals based on measures that take into consideration various tests, such as the Participant’s, Total Resource Cost, and Rate Impact Measure Tests, should continue. Using multiple tests allows for a better perspective of the cost-effectiveness of the energy efficiency and conservation programs. The Commission should balance the goal of energy efficiency and conservation with the impact of the costs and benefits of these programs on rates and overall customer bills.

**SACE/  
LULAC:** The TRC test and the Participant test. TRC focuses on the general body of ratepayers as a whole by considering the total cost of implementing the efficiency measure and comparing that to the benefit the measure provides to the participant and all the utility’s customers including avoided generation, transmission, and distribution costs. In addition, TRC, in contrast to the RIM test, includes both utility incentives and participant contributions. TRC focuses on reducing the average bills of all customers, rather than almost exclusively focusing on lost revenue to the utility. This is especially important for low income communities, as people struggle to pay monthly energy *bills*, not monthly energy rates. (Witnesses Grevatt and Bradley-Wright)

**PCS:** PCS Phosphate supports the use of the Participant Test and the Rate Impact Measure (“RIM”) test to evaluate the costs and benefits of specific DSM measures.

**WALMART:** No position.

**FIPUG:** The Commission should give significant weight to the RIM test to determine cost-effectiveness. Regardless of which cost-effectiveness test the Commission approves, what is most important is that the Commission encourage conservation programs that strike a reasonable balance between

the advantages of the programs to program participants and other rate payers and that these conservation programs are fairly evaluated. Further, in the use of the RIM test, the Commission should be sure that all utilities are conducting the test in the same way and that “lost revenue” for clause “losses” is not included.

**STAFF:** Staff has no position pending evidence adduced at the hearing.

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

**POSITIONS**

**FPL:** Yes. FPL’s proposed Goals reflect consideration of free riders, as required by Rule 25-17.0021(3), F.A.C. For each DSM measure that survived the prior economic screening steps, a calculation was made to see if a participant’s incremental out-of-pocket costs will be fully recovered from bill savings and, if applicable, tax savings, in two years or less without any incentive payment from the utility. DSM measures for which the participant’s costs are not fully recovered in two years without an incentive payment pass this final step in the screening process. This process, applied to each individual measure at this screening step, helps protect FPL’s general body of customers from paying incentives to program participants that would already be economically motivated to participate in the program without incentives (*i.e.*, “free riders”). (Koch, Whitley, Deason)

**GULF:** Yes. As required by Rule 25-17.0021, Florida Administrative Code, the goals established in this proceeding must account for the effects of free ridership. Consistent with long-standing Commission precedent, Gulf utilized a two-year payback criterion to account for free ridership. Use of a simple payback of two years provides a reasonable point of differentiation to predict where customers are more likely to adopt a measure based on the measure’s own inherent economic attractiveness, without additional incentives and costs on the general body of customers. The two-year payback criterion is an objective, reasonable, efficient and time-tested method of addressing free ridership during the goal-setting process as required by Commission rule. (Floyd, Herndon, Deason)

**FPUC:** Yes, Nexant’s cost-effectiveness review included the analysis of several free ridership scenarios. FPUC’s proposed goals are reflective of the outcomes of the analysis of those scenarios. (Ranck, Herndon)

- DEF:** Yes. The proposed goals are based on measures that have greater than a two-year payback period. A two-year payback period is a reasonable time-period in which to limit measures and assume that customers will adopt them absent a utility incentive. This time-period has been recognized by the Commission in past proceedings as a reasonable proxy to eliminate free riders. (Cross, Herndon, Deason)
- OUC:** Yes. OUC's proposed goals appropriately reflect consideration of free riders by application of the two-year payback screen that the Commission has approved for the past 25 years. The free ridership "problem" is significant because free riders, by definition, are customers who receive incentive payments, financed by OUC's other customers, to implement DSM measures that they would otherwise implement without any such incentives. In other words, where free ridership occurs, all OUC customers are paying unnecessarily for the conservation benefits provided by the free rider. Based on the PSC's consistent approval of the two-year payback screen over the past 25 years, OUC has come to believe that the two-year screen strikes a reasonable balance between the desire for greater energy conservation and the desire to avoid the adverse economic effects of free ridership, i.e., that free riders cause all customers to pay more than necessary to achieve the conservation benefits flowing from free riders' participation in DSM programs. (Herndon, Noonan, Deason)
- JEA:** Yes. The screening criteria were based on simple payback to the customer (2 years or less) and were designed to remove measures from the achievable potential forecasts that exhibit the key characteristic most associated with high levels of free-ridership in utility rebate programs, i.e., measures with naturally high levels of cost-effectiveness to the customer. The sensitivity of total achievable potential to this particular screening criterion was tested using alternative simple payback screening values (1 year and 3 years). (Wucker, Herndon, Deason)
- TECO:** Yes. Tampa Electric utilized a longstanding Commission practice, initially approved in the 1994 DSM goals proceeding, of screening out measures having a payback period of two years or less without any incentive. This two-year payback criterion is the appropriate means to apply to minimize free ridership as required by the Commission's rule. (Roche)
- 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.

**FDACS:** In considering whether the Companies' proposed goals appropriately reflect free riders, the Commission should consider policy options that take into account the payback period of the proposed program measures.

In the prior goals proceeding, the Commission acknowledged that consumer education is a critical component of energy efficiency initiatives and the utilities should continue to educate customers regarding the benefits of energy efficiency, with specific focus on outreach and educating customers on measures with a quick payback period.<sup>1</sup> The Commission directed the FEECA Utilities to address how they would assist and educate their low-income customers, specifically with respect to the measures with a two-year or less payback.<sup>2</sup> The Companies appear to have appropriately considered customer education and measures targeted to low-income customers as required by the Commission in the prior FEECA goals proceeding and should be commended for the new programs created and customers reached within their low-income communities. The Commission should require the Companies to continue to consider and develop customer education and measures targeted to low-income customers during the DSM Program proceeding consistent with Commission Order No. PSC-14-0696-FOF-EU.

**SACE/  
LULAC:** No. Among other things, the load forecasts used by Nexant in its analysis already included naturally occurring energy efficiency. As such, the possibility of free riders had already been accounted for at the Technical Potential stage of the analysis. Furthermore, the 2-year screen used by the utilities is completely arbitrary and not backed by any empirical evidence, and improperly screens out measures that are especially important to low income communities. (Witnesses Grevatt and Bradley-Wright)

**PCS:** No position.

**WALMART:** No position.

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<sup>1</sup> See, Order No. PSC-14-0696-FOF-EU, issued on December 16, 2014, at pgs. 26-27.

<sup>2</sup> Id.

**FIPUG:** No position.

**STAFF:** Staff has no position pending evidence adduced at the hearing.

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

**POSITIONS**

**FPL:** The Commission should approve the following residential Goals for the period 2020-2029:

Year	Summer MW		Winter MW		Annual MWh	
	Annual	Cumulative	Annual	Cumulative	Annual	Cumulative
<b>2020</b>	24.0	<b>24.0</b>	20.7	<b>20.7</b>	12	<b>12</b>
<b>2021</b>	24.0	<b>48.1</b>	20.7	<b>41.5</b>	12	<b>23</b>
<b>2022</b>	24.0	<b>72.1</b>	20.7	<b>62.2</b>	12	<b>35</b>
<b>2023</b>	24.0	<b>96.1</b>	20.7	<b>82.9</b>	12	<b>47</b>
<b>2024</b>	24.0	<b>120.1</b>	20.7	<b>103.7</b>	12	<b>58</b>
<b>2025</b>	24.0	<b>144.2</b>	20.7	<b>124.4</b>	12	<b>70</b>
<b>2026</b>	24.0	<b>168.2</b>	20.7	<b>145.1</b>	12	<b>81</b>
<b>2027</b>	24.0	<b>192.2</b>	20.7	<b>165.9</b>	12	<b>93</b>
<b>2028</b>	24.0	<b>216.2</b>	20.7	<b>186.6</b>	12	<b>105</b>
<b>2029</b>	24.0	<b>240.3</b>	20.7	<b>207.4</b>	12	<b>116</b>

(Koch, Deason)

**GULF:**

Proposed Numeric Conservation Goals – Savings at the Generator											
	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	Total
<b>Residential</b>											
Summer System Peak (MW)	0	0	0	0	0	0	0	0	0	0	0
Winter System Peak (MW)	0	0	0	0	0	0	0	0	0	0	0
Annual Energy (GWh)	0	0	0	0	0	0	0	0	0	0	0

(Floyd)

**FPUC:** The Commission should establish no annual goals, or a goal of zero, for the period 2020-2029. (Ranck)

**DEF:** DEF’s proposed Residential goals are provided below. The Commission should not set goals for discrete sub-sets of residential customers; rather, DEF should be permitted to design and present such programs during the program setting phase.

<b>DUKE ENERGY FLORIDA - PROPOSED RIM GOALS 2020-2029</b>			
	Winter Peak MWs	Summer Peak MWs	GWHs
Residential	78	108	115

(Cross)

**OUC:** No residential measures for peak demand reductions or energy savings passed the RIM test for OUC. Accordingly, the PSC should establish goals of zero for OUC for residential summer and winter peak demand (“MW”) reductions and annual gigawatt-hour (“GWh”) savings. (Herndon, Kushner, Noonan)

**JEA:** No residential DSM measures passed the RIM test. Accordingly, the Commission should establish goals of 0 MW (summer and winter) and 0 MWh (annual energy) for the residential class. (Wucker, Herndon)

**TECO:** Tampa Electric proposes the residential summer and winter Megawatt (MW) and annual Gigawatt-hour (GWh) goals in the chart below be established for the period 2020-2029:

<b>Tampa Electric's 2020-2029 Proposed Residential DSM Goals at the Generator</b>			
Year	Summer Demand (MW)	Winter Demand (MW)	Annual Energy (GWh)
	Incremental	Incremental	Incremental
2020	4.7	2.58	9.3
2021	4.9	2.57	9.6
2022	5.0	2.56	9.7
2023	5.2	2.56	10.0
2024	5.4	2.55	10.3
2025	5.6	2.54	10.7
2026	5.8	2.54	11.0
2027	6.0	2.53	11.3
2028	5.6	2.53	10.5
2029	6.0	2.52	11.3

The cumulative effect of these residential goals through 2029 would be a summer MW reduction of 54.0 MW, a winter MW reduction of 25.5 MW and cumulative energy savings of 103.6 GWh. (Roche)

**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.

Additionally, the companies should be required to continue and develop customer education programs and target measures 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 as well.

**FDACS:**

FDACS has no specific position, as to the appropriate residential summer and winter MW and annual GWh goals that should be established for the 2020-2029 period. However, the Commission should balance the goal of energy efficiency and conservation with the impact of the costs and benefits of these programs on rates and overall customer bills.

While there is no statutory requirement for the Commission to set goals for a specific subset of residential customers, the Commission should require the Companies to continue to implement and develop customer education and measures targeted to low-income customers during the DSM Program proceeding consistent with Commission Order No. PSC-14-0696-FOF-EU.<sup>3</sup>

**SACE/  
LULAC:**

The Commission should approve robust residential goals consistent with the testimony of Witnesses Grevatt and Bradley-Wright, specifically

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<sup>3</sup> See, Order No. PSC-14-0696-FOF-EU, issued on December 16, 2014, at pgs. 26-27.

including goals for low income communities to ensure that the needs of those communities are addressed.

**PCS:** Duke Energy Florida’s proposed residential summer and winter megawatt and annual Gigawatt-hour goals for 2020-2029 are a reasonable balance of FEECA’s express goals and costs and rate impacts to Florida consumers and should be approved.

**WALMART:** No position.

**FIPUG:** The Commission should set goals that balance the importance of pursuing conservation programs against their cost and the impact of that cost on rates.

**STAFF:** Staff has no position pending evidence adduced at the hearing.

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

**POSITIONS**

**FPL:** The Commission should approve the following commercial/industrial Goals for the period 2020-2029:

Year	Summer MW		Winter MW		Annual MWh	
	Annual	Cumulative	Annual	Cumulative	Annual	Cumulative
<b>2020</b>	11.2	<b>11.2</b>	5.1	<b>5.1</b>	91	<b>91</b>
<b>2021</b>	11.2	<b>22.4</b>	5.1	<b>10.3</b>	91	<b>181</b>
<b>2022</b>	11.2	<b>33.6</b>	5.1	<b>15.4</b>	91	<b>272</b>
<b>2023</b>	11.2	<b>44.7</b>	5.1	<b>20.6</b>	91	<b>363</b>
<b>2024</b>	11.2	<b>55.9</b>	5.1	<b>25.7</b>	91	<b>453</b>
<b>2025</b>	11.2	<b>67.1</b>	5.1	<b>30.8</b>	91	<b>544</b>
<b>2026</b>	11.2	<b>78.3</b>	5.1	<b>36.0</b>	91	<b>635</b>
<b>2027</b>	11.2	<b>89.5</b>	5.1	<b>41.1</b>	91	<b>725</b>
<b>2028</b>	11.2	<b>100.7</b>	5.1	<b>46.2</b>	91	<b>816</b>
<b>2029</b>	11.2	<b>111.9</b>	5.1	<b>51.4</b>	91	<b>906</b>

(Koch, Deason)

**GULF:**

Proposed Numeric Conservation Goals – Savings at the Generator											
	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	Total
<b>Commercial/Industrial</b>											
Summer System Peak (MW)	1	1	1	1	1	2	2	2	2	2	15
Winter System Peak (MW)	1	1	1	1	1	1	1	1	1	2	11
Annual Energy (GWh)	0	0	0	0	0	0	0	0	0	0	0

(Floyd)

**FPUC:** The Commission should establish no annual goals, or a goal of zero, for the period 2020-2029. (Ranck)

**DEF:**

DUKE ENERGY FLORIDA - PROPOSED RIM GOALS 2020-2029			
	Winter Peak MWs	Summer Peak MWs	GWHs
Non-Residential	121	135	51

(Cross)

**OUC:** No commercial/industrial demand reduction measures passed the RIM test for OUC. Only one commercial/industrial energy efficiency measure passed the RIM test for OUC, and that measure (an exterior lighting controls measure) had truly minimal energy savings: a total of 6,000 kilowatt-hours over the ten-year goal-setting period, or 600 kWh per year, which is less than a single residential customer uses in one month. Accordingly, the PSC should establish goals of zero for OUC for commercial and industrial summer and winter peak demand reductions and annual energy savings. (Herndon, Kushner, Noonan)

**JEA:** No commercial/industrial DSM measures passed the RIM test. Accordingly, the Commission should establish goals of 0 MW (summer and winter) and 0 MWh (annual energy) for the commercial/industrial class. (Wucker, Herndon)

**TECO:** Tampa Electric proposes the commercial/industrial summer and winter Megawatt (MW) and annual Gigawatt-hour (GWh) goals in the chart below be established for the period 2020-2029:

<b>Tampa Electric's 2020-2029 Proposed Commercial/Industrial DSM Goals at the Generator</b>			
Year	Summer Demand (MW)	Winter Demand (MW)	Annual Energy (GWh)
	Incremental	Incremental	Incremental
2020	2.7	1.9	5.5
2021	2.5	1.7	6.5
2022	2.4	1.6	5.5
2023	2.9	2.0	6.5
2024	2.4	1.6	5.6
2025	2.5	1.8	6.7
2026	2.8	1.9	5.8
2027	2.6	1.8	6.8
2028	2.4	1.7	5.8
2029	2.6	1.8	6.8

The cumulative effect of these commercial/industrial goals through 2029 would be a summer MW reduction of 25.8 MW, a winter MW reduction of 17.8 MW and cumulative energy savings of 61.4 GWh. (Roche)

**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.

**FDACS:** FDACS has no specific position, as to the appropriate commercial/industrial summer and winter MW and annual GWh goals that

should be established for the 2020-2029 period. However, the Commission should balance the goal of energy efficiency and conservation with the impact of the costs and benefits of these programs on rates and overall customer bills.

**SACE**

**LULAC:** The Commission should approve robust commercial/industrial goals consistent with the testimony of Witness Grevatt.

**PCS:** Duke Energy Florida's proposed commercial/industrial summer and winter megawatt and annual Gigawatt-hour goals for 2020-2029 are a reasonable balance of FEECA's express goals and costs and rate impacts to Florida consumers and should be approved.

**WALMART:** No position.

**FIPUG:** The Commission should set goals that balance the importance of pursuing conservation programs against their cost and the impact of that cost on rates.

**STAFF:** Staff has no position pending evidence adduced at the hearing.

**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.?**

**POSITIONS**

**FPL:** Goals of zero should be established for demand-side renewable energy systems because such systems are not cost-effective for FPL's customers. They fail both the RIM and the TRC economic screening tests. Setting Goals at zero for demand-side renewable energy systems would be consistent with past Commission practice of setting DSM Goals at zero for FEECA Utilities when no DSM measures are cost-effective. For example, as part of the 1999 and 2004 Goals setting proceedings, the Commission set DSM Goals at zero for both JEA and the Orlando Utilities Commission. A Goal level of zero would best protect the general body of customers and minimize cross-subsidies between participants and non-participants. (Koch, Whitley)

**GULF:** All demand-side renewable energy systems were evaluated using the same cost-effectiveness standards as other energy efficiency measures. No renewable measures are cost-effective under either the RIM or TRC cost-effectiveness tests and, therefore, none are reflected in Gulf's achievable

potential results. In past FEECA proceedings, the Commission determined that it was appropriate to set goals equal to zero in cases where no DSM measures were found to be cost-effective. Given that no renewable measures passed the Commission's approved cost-effectiveness criteria, setting renewable goals at a level above zero in this proceeding would not be appropriate. (Floyd)

**FPUC:** No. The Commission should not establish separate goals for FPUC for demand-side renewable energy systems. All conservation goals for FPUC should be established to promote cost-effective DSM without any bias towards any particular technology or program. Furthermore, if demand-side renewable energy systems are cost effective, FPUC should have the flexibility to include such systems as part of their renewable portfolio or as part of their DSM plan. (Ranck)

**DEF:** Given that renewable systems were not deemed cost effective under the RIM test, it would not be appropriate to establish goals for demand-side renewable systems in this goal setting proceeding. Demand-side renewable systems were evaluated using the same criteria as were used for other energy efficiency measures. Programs that provide incentives to customers who install renewable systems would result in cross subsidies between participants and non-participants and increase rates to all customers. (Cross)

**OUC:** The PSC should not set any goals, or should set goals of zero, for OUC to increase its development of demand-side renewable energy systems. None of the demand-side renewable energy measures evaluated by Nexant, including solar PV, battery storage, and Combined Heat & Power ("CHP") measures, passed the RIM test for OUC. OUC has already implemented and operates substantial demand-side renewable energy initiatives, including both solar PV and solar thermal water heating measures, as well as substantial supply-side initiatives using solar and landfill gas renewable energy technologies. (Herndon, Noonan)

**JEA:** The cost-effectiveness analysis of demand-side renewable energy systems shows that they are not cost-effective. Therefore, no goals should be established for demand-side renewable systems. (Wucker, Herndon)

**TECO:** Goals should not be established for increasing the development of demand-side renewable energy systems as they continue to be non-cost effective. If any goals are set, they should be set at zero, as these measures are not cost-effective. (Roche)

**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.

**FDACS:** The Legislature has declared that it is critical to utilize the most efficient and cost-effective demand-side renewable energy systems. The Commission should consider policy options that can be implemented to achieve least-cost strategies that take into account the costs and benefits of the programs and their impact on all ratepayers.

**SACE/  
LULAC:** Goals should be established to create pilot programs at schools that also serve as storm shelters along with battery storage in order to increase resiliency and offset peak demand.

**PCS:** No position.

**WALMART:** No position.

**FIPUG:** No position.

**STAFF:** Staff has no position pending evidence adduced at the hearing.

**ISSUE 11: Should these dockets be closed?**

**POSITIONS**

**FPL:** Yes. This docket should be closed upon the issuance of an appropriate order approving FPL's proposed numeric conservation Goals set forth in Exhibit TRK-4 for the years 2020-2029.

**GULF:** Yes. Gulf Power's Docket No. 20190016-EG should be closed once the Commission's decisions on all of the issues in this docket have become final and the Commission has concluded that the docket has otherwise met the requirements for closure.

**FPUC:** Yes.

**DEF:** Yes.

**OUC:** Yes. When the Commission's order approving OUC's goals has become final and is not subject to any appeals or reconsideration, these dockets, specifically including Docket No. 20190019-EG, should be closed.

**JEA:** Yes.

**TECO:** Yes, Tampa Electric's Docket No. 20190021-EG should be closed once the Commission's decisions on all of the issues in the docket have become final and the Commission has concluded that the docket has otherwise met the requirements for closure.

**OPC:** No.

**FDACS:** Yes, the dockets should be closed upon the Commission establishing appropriate goals for the FEECA Utilities, following an evidentiary hearing, and once the Commission's order is final.

**SACE/  
LULAC:** No. Not at this time.

**PCS:** No position.

**WALMART:** No position.

**FIPUG:** Yes.

**STAFF:** Staff has no position pending evidence adduced at the hearing.

**IX. EXHIBIT LIST**

<u>Witness</u>	<u>Proffered By</u>	<u>Description</u>
		<u>Direct</u>
Thomas R. Koch	FPL	TRK-1 Current DSM Programs and Achievements

<u>Witness</u>	<u>Proffered By</u>	<u>Description</u>
		TRK-2 Current DSM Programs and Associated Measures
		TRK-3 2020-2029 Achievable Potential – RIM and 2020-2029 Achievable Potential – TRC
		TRK-4 2020-2029 Proposed DSM Goals
Andrew W. Whitley	FPL	AWW-1 FPL's Resource Planning Process as Applied to DSM Goals-Setting
		AWW-2 Economic Elements Accounted for in DSM Preliminary Screening Tests: Benefits & Costs
		AWW-3 Summary Results of Preliminary Economic Screening of Individual DSM Measures
		AWW-4 Summary Results of Preliminary Economic Screening of Individual DSM Measures: Sensitivity Cases
		AWW-5 Forecasted Fuel and Environmental Compliance Costs
		AWW-6 Projection of FPL's Resource Needs for 2020-2031 with No Incremental Signups After 2019
		AWW-7 Comparison of DSM Achievable Potential Summer MW with FPL's Projected Summer Resource Needs
		AWW-8 Overview of Supply Only and With DSM Resource Plans
		AWW-9 Example of Levelized System Average Electric Rate Calculation for the RIM Resource Plan

<u>Witness</u>	<u>Proffered By</u>	<u>Description</u>
		AWW-10 Comparison of the Resource Plans: Economic Analyses Results and Consequences
		AWW-11 Additional Cost Needed to be Added to the RIM Plan to Increase its Levelized System Average Electric Rate to That of the TRC Plan
		AWW-12 Comparison of the Resource Plans: Projection of System Average Electric Rates and Customer Bills
		AWW-13 Comparison of the Resource Plans: Projection of System Emissions
		AWW-14 Comparison of the Resource Plans: Projection of System Oil and Natural Gas Usage
Steven R. Sim	FPL	SRS-1 Comparison of 2009, 2014, and 2019 Natural Gas Cost Forecasts for the Years 2020-2029
		SRS-2 Comparison of 2009, 2014, and 2019 CO <sub>2</sub> Compliance Cost Forecasts for the Years 2020-2029
		SRS-3 Comparison of 2009, 2014, and 2019 System Average Heat Rates for FPL's Gas-Fueled Generation Fleet
		SRS-4 Comparison of 2009, 2014, and 2019 In-Service Year Capital Costs for Avoided CC Unit
		SRS-5 A comparison of a benefits only calculation for a proxy DSM measure using system cost values from the 2014 and 2019 Goals Dockets
Jim Herndon	FEECA Utilities	JH-1 Background and Qualifications

<u>Witness</u>	<u>Proffered By</u>	<u>Description</u>
		JH-2 Market Potential Study for FPL
		JH-3 MPS for Tampa Electric Company
		JH-4 MPS for DEF
		JH-5 Market Potential Study for Gulf Power
		JH-6 Market Potential Study of Demand-Side Management in Florida Public Utilities Company's Territory (April, 2019)
		JH-7 Market Power Study for Orlando Utilities Commission
		JH-8 Market Potential Study of DSM in JEA's Service Territory
		JH-9 2019 Measures List
		JH-10 Comparison of 2014 Measures List to 2019 Measures List
John N. Floyd	GULF	JNF-1 Proposed Numeric Conservation Goals; Current DSM Programs; Technical Potential Results; Economic Potential Results; Achievable Potential Results; Economic Potential Fuel Sensitivity; Economic Potential Payback Sensitivity; Annual Bill Impact for 1,200 kWh/month Residential Customer

<u>Witness</u>	<u>Proffered By</u>		<u>Description</u>
Robert Camfield	FPUC	RJC-1	FPUC Estimates of Avoided Costs, 2020-2038
		RJC-2	Average Hourly Load By Year (MW), January/July
		RJC-3	Estimated Average Hourly Avoided All-In Costs, January 2024
		RJC-4	Robert Camfield – Resume
Lori Cross	DEF	LC-1	Proposed Residential and Non-Residential Annual Potential RIM Evaluation for 2020-2029 (at the Generator)
		LC-2	Proposed Residential and Non-Residential TRC Evaluation for 2020-2029 (at the Generator)
		LC-3	Avoided Generation Assumptions
		LC-4	Fuel and CO2 Price Forecasts
		LC-5	Historical Achievements
		LC-6	Measures included in Economic Potential Based on RIM & TRC Evaluations
		LC-7	Projected RIM & TRC Portfolio Costs & Residential Customer Rate Impacts
Bradley E. Kushner	OUC	BEK-1	Resume of Bradley E. Kushner

<u>Witness</u>	<u>Proffered By</u>	<u>Description</u>
		BEK-2 Summary of Avoided Unit Costs
		BEK-3 Carbon Regulation Compliance Costs
Kevin M. Noonan	OUC	KMN-1 Resume of Kevin M. Noonan
		KMN-2 Description of OUC's Existing DSM Programs that Contribute Towards Meeting OUC's Current FEECA Goals
		KMN-3 Estimated Bill Impact for 1,000 kWh per Month Residential Customer
Donald Wucker	JEA	DPW-1 Resume of Donald Wucker
		DPW-2 JEA PSC-Approved DSM Goals
		DPW-3 Current JEA DSM Programs
		DPW-4 Historic Participation in JEA DSM Programs
		DPW-5 JEA Economic & Achievable Potential
		DPW-6 Summary of JEA Marketing and Educational Activities
		DPW-7 JEA Bill Impacts Analysis

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20190020-EG, 20190021-EG

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<u>Witness</u>	<u>Proffered By</u>		<u>Description</u>
Bradley Kushner	JEA	BEK-1	Resume of Bradley Kushner
		BEK-2	JEA Avoided Costs
		BEK-3	JEA Fuel Price Projections

<u>Witness</u>	<u>Proffered By</u>	<u>Description</u>	
Mark R. Roche	TECO	MRR-1	Tampa Electric's proposed DSM goals at the generator for 2020-2029; Overall process used to develop the company's proposed DSM goals for 2020-2029; Process used to develop the Technical Potential and the Market Potential Study of Demand Side Management in Tampa Electric Company's Service Territory Report; Comprehensive DSM measure list utilized in this proceeding; DSM measures that were either added or removed to the 2018 comprehensive measures list as compared to the 2013 technical potential study; Tampa Electric's DSM Technical Potential for Energy Efficiency, Demand Response and Distributed Energy Resources; Process used to develop the Economic Potential; Tampa Electric's avoided unit cost data used for cost-effectiveness evaluations; Assumptions used for the performance of cost-effectiveness; Tampa Electric's 2020-2029 DSM Economic Potential for the RIM and TRC cost-effectiveness tests; DSM Economic Potential cost-effectiveness sensitivity analyses; Process used to develop the Achievable Potential; 2020-2029 estimated annual DSM Achievable Potential for the RIM and TRC cost-effectiveness tests; DSM measures that make up the RIM and TRC DSM Achievable Potentials; Summary of the overall potentials; Projected residential annual bill impacts for the RIM and TRC 2020-2029 DSM portfolios; Tampa Electric's current DSM programs and achievements.

<u>Witness</u>	<u>Proffered By</u>		<u>Description</u>
Jim Grevatt	SACE	JMG-1	Jim Grevatt Resume
		JMG-2	TRC Savings Goals Without Payback Screen
		JMG-3	TRC Savings Goals Based on Leading Southern Jurisdictions
		JMG-4	FPL Response to Staff Interrogatory 18
		JMG-5	FPL Response to SACE's POD No. 2 – TP Table
		JMG-6	FPL Response to SACE's POD No. 2 – Economic Potential Calculations
		JMG-7	FPL Response to SACE Interrogatory 21
		JMG-8	FPL Response to SACE Interrogatory 25
		JMG-9	FPL Response to SACE's POD No. 3, Achievable Potential Analysis
		JMG-10	FPL Response to SACE Interrogatory 48
		JMG-11	Excerpt of Jim Herndon Deposition
		JMG-12	FPL Response to SACE Interrogatory 23
		JMG-13	2019 Illinois Statewide Technical Reference Manual for Energy Efficiency
		JMG-14	FPL Response to SACE Interrogatory 39
		JMG-15	Navigant ComEd Residential Lighting Discounts Program
		JMG-16	FPL Response to SACE POD No. 2
		JMG-17	FPL Response to SACE POD No. 2

<u>Witness</u>	<u>Proffered By</u>	<u>Description</u>
		JMG-18 FPL Response to SACE POD No. 10
		JMG-19 FPL Response to SACE Interrogatory 9
		JMG-20 TECO BS 158 – Residential Economic Potential
Forest Bradley-Wright	SACE	FBW-1 Forest Bradley-Wright Resume
		FBW-2 ACEEE Report – High Energy Burden in America’s Largest Cities
		FBW-3 NAACP Just Energy Policies
		FBW-4 Report on the Economic Well-Being of U.S. Households in 2018
		FBW-5 Florida Manufactured Home Parks
		FBW-6 ACEEE State-Level Strategies for Tackling High Energy Burdens
		FBW-7 DEF DSM Annual Report 2018
		FBW-8 TECO DSM Annual Report 2018
<u>Rebuttal</u>		
Terry Deason	FEECA Utilities (except FPUC)	JTD-1 Curriculum Vitae
Thomas R. Koch	FPL	TRK-5 Estimated Cost to Achieve SACE’s Proposed Low Income-Specific Goals
		TRK-6 SACE response to FPL Interrogatory No. 1
Andrew W. Whitley	FPL	AWW-15 SACE 1.5% Plan Analysis: Levelized System Average Electric Rate Calculation

<u>Witness</u>	<u>Proffered By</u>	<u>Description</u>
		AWW-16 SACE 1.5% Plan Analysis: Comparison of Levelized System Average Electric Rates
		AWW-17 SACE 1.5% Plan Analysis: Additional Cost Needed to be Added to RIM Plan to Increase its Levelized System Average Electric Rate to That of the 1.5% Plan
		AWW-18 SACE 1.5% Plan Analysis: Comparison of the Resource Plans: Projections of System Average Electric Rates and Monthly Customers Bills
Steven R. Sim	FPL	SRS-6 List of Inaccurate and/or Misleading Statements Made by SACE witness Grevatt

Parties and Staff reserve the right to identify additional exhibits for the purpose of cross-examination.

**X. PROPOSED STIPULATIONS**

There are no proposed stipulations at this time.

**XI. PENDING MOTIONS**

There are no pending motions at this time.

**XII. PENDING CONFIDENTIALITY MATTERS**

FPL:

<b>Request Document No.</b>	<b>Date</b>	<b>Description</b>
06053-2019	7/26/19	Request for confidential classification of certain information provided in FPL's response to Staff's 10th set of interrogatories (No. 100) [DN 06054-2019]

GULF:

<b>Request Document No.</b>	<b>Date</b>	<b>Description</b>
06061-2019	7/26/19	Request for Confidential Classification for certain information provided in GULF's responses to Staff's 10th set of interrogatories (Nos. 88-93) [06062-2019]

JEA:

<b>Request Document No.</b>	<b>Date</b>	<b>Description</b>
06047-2019	7/26/19	Request for Confidential Classification of certain information provided in response to Staff's 12th set of interrogatories (Nos. 88-94) [DN 06048-2019]

TECO:

<b>Request Document No.</b>	<b>Date</b>	<b>Description</b>
06058-2019	7/26/19	Request for Confidential Classification and Motion for Temporary Protective Order for certain information provided in response to Staff's 10th set of interrogatories (No. 99) [DN 06060-2019]

### **XIII. POST-HEARING PROCEDURES**

If no bench decision is made, each party shall file a post-hearing statement of issues and positions. A summary of each position, set off with asterisks, shall be included in that statement. If a party's position has not changed since the issuance of this Prehearing Order, the post-hearing statement may simply restate the prehearing position; if a party fails to file a post-hearing statement, that party shall have waived all issues and may be dismissed from the proceeding.

Pursuant to Rule 28-106.215, F.A.C., a party's proposed findings of fact and conclusions of law, if any, statement of issues and positions, and brief, shall together total no more than 50 pages, inclusive of attachments, and shall be filed at the same time.

### **XIV. RULINGS**

#### **Opening Statements**

Opening statements, if any, shall not exceed five minutes per party. SACE and LULAC shall have seven minutes to share.

#### **Objection to Qualifications of Witnesses**

FIPUG objected to any expert witness not designated as an expert and expressly offered as an expert witness, with areas of expertise identified. Section VII.A.(8) of the Order Consolidating Dockets and Establishing Procedure, Order No. PSC-2019-0062-PCO-EG, issued on February 18, 2019, requires a party objecting to a witness's qualifications as an expert to identify each witness the party wishes to voir dire as well as state with specificity the portions of that witness's prefiled testimony, by page and line number, and/or exhibits, by page and line number, to which the party objects. Since FIPUG has not complied with the requirements set forth in the Order Consolidating Dockets and Establishing Procedure, I find that FIPUG shall not be permitted to voir dire any witness at the Hearing in this proceeding.

#### **Contested Issue 10**

SACE proposed that the phrase "if any" should be removed from the language of Issue 10 to read: "What goals should be established for increasing the development of demand-side renewable energy systems, pursuant to Section 366.82(2), F.S.?" SACE argued at the Prehearing Conference that the words "if any" should be removed based on its contention that the establishment of goals is not discretionary per the statutes. The FEECA utilities<sup>4</sup> argued at the Prehearing Conference and in their Prehearing Statements that the removal of the phrase "if any" is unnecessary and not appropriate. The companies further noted that the Commission, because

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<sup>4</sup> Because SACE did not intervene in Docket No. 20190017-EG, FPUC did not provide argument on this issue.

of its requirement to review cost-effectiveness, may find that a zero goal may be appropriate depending on the evidence presented at Hearing.

Having heard arguments, I find that the language of Issue 10 should be retained as currently written and included in Section VIII. I find the issue language is broad enough for all parties to fully litigate whether setting a numeric goal is appropriate. Finally, I note that the “if any” language was included in the same issue that addressed this subject matter in the last goal-setting proceeding.

#### Contested SACE Issue

SACE proposed a new issue as follows: “Should distinct goals for low-income customers be established, and if so, what should those goals be?” In its Prehearing Statement and at the Prehearing Conference, SACE argued that this issue should be included to ensure that the needs of low-income communities are met. SACE further argued that given the lower requested goals, requiring specific goals is the only way to ensure that the FEECA utilities propose plans that ensure that low-income programs appropriately address those customers’ needs uniformly throughout the state. OPC supported SACE’s issue opining that because the utilities already have low-income programs and have been reporting those programs’ savings towards their goal, it is appropriate to have a separate issue. At the Prehearing Conference, the FEECA utilities<sup>5</sup> and FDACS primarily argued that the issue is inappropriate in the goal-setting phase and more appropriate in the demand-side management plan approval phase. The companies also noted that the guiding FEECA Statutes and Commission Rules do not specifically carve out requirements for the low-income customer class.

Having heard arguments, SACE’s proposed issue can be addressed by the parties in Issue 8. Low-income customers are a subset of the residential customer class. As we already have an issue to address residential goals, I find it unnecessary to have a separate issue. This does not, however, preclude any party from discussing low-income goals at the Hearing or in their Briefs.

#### Contested FDACS Issue 7(a)

FDACS proposed a new issue in its Prehearing Statement and amended that language at the Prehearing Conference to the following: “Should the Company be required to consider and, if appropriate, develop customer education and measures targeted to low-income customers during the DSM Program proceeding consistent with Commission Order No. PSC-14-0696-FOF-EU?” FDACS argued that this subject matter was considered under Issue 7 in the 2014 goal-setting proceeding. As such, FDACS contends that customer education and measures targeted to low-income customers can be appropriately discussed as a sub-issue of Issue 7 in this proceeding. All parties in attendance of the Prehearing Conference agreed with FDACS’ revised proposed issue language.

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<sup>5</sup> Because SACE did not intervene in Docket No. 20190017-EG, FPUC did not provide argument on this issue.

Having considered the proposed language, FDACS' proposed issue can be addressed by the parties in Issue 7 and/or Issue 8. I find the proposed language that was presented at the Prehearing Conference may inadvertently limit the Commission's ability to make certain determinations in the demand-side management plan approval phase. Therefore, I find it unnecessary to have a separate issue. This does not, however, preclude any party from discussing customer education and measures targeted to low-income customers at the Hearing or in their Briefs.

It is therefore, hereby

ORDERED by Commissioner Donald J. Polmann, as Prehearing Officer, that this Prehearing Order shall govern the conduct of these proceedings as set forth above unless modified by the Commission.

By ORDER of Commissioner Donald J. Polmann, as Prehearing Officer, this 7th day  
of August, 2019.



DONALD J. POLMANN, Ph.D., P.E.  
Commissioner and Prehearing Officer  
Florida Public Service Commission  
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Copies furnished: A copy of this document is provided to the parties of record at the time of issuance and, if applicable, interested persons.

MAD/RAD/AJW

NOTICE OF FURTHER PROCEEDINGS OR JUDICIAL REVIEW

The Florida Public Service Commission is required by Section 120.569(1), 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.

Mediation may be available on a case-by-case basis. If mediation is conducted, it does not affect a substantially interested person's right to a hearing.

Any party adversely affected by this order, which is preliminary, procedural or intermediate in nature, may request: (1) reconsideration within 10 days pursuant to Rule 25-22.0376, Florida Administrative Code; or (2) judicial review by the Florida Supreme Court, in the case of an electric, gas or telephone utility, or the First District Court of Appeal, in the case of a water or wastewater utility. A motion for reconsideration shall be filed with the Office of Commission Clerk, in the form prescribed by Rule 25-22.0376, Florida Administrative Code. Judicial review of a preliminary, procedural or intermediate ruling or order is available if review of the final action will not provide an adequate remedy. Such review may be requested from the appropriate court, as described above, pursuant to Rule 9.100, Florida Rules of Appellate Procedure.