



April 1, 2020

Mr. Adam Teitzman, Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee FL 32399-0850

Re: Docket No. 20200055-EG – Petition for approval of proposed demand-side management plan, by Gulf Power Company

Dear Mr. Teitzman:

Attached for electronic filing is Gulf Power Company's response to Staff's First Data Request in Docket 20200055-EG.

Sincerely,

A handwritten signature in blue ink that reads 'Richard Hume'.

Richard Hume
Regulatory Issues Manager

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Attachments

cc: Gulf Power Company
Russell Badders, Esq., VP & Associate General Counsel
Beggs & Lane
Florida Public Service Commission
Douglas Wright, Division of Engineering

QUESTION:

Please refer to the tab titled "2015 vs. 2020 Program Changes" in the attached Microsoft Excel document titled "Data Request #1 – Excel Tables," (Excel Tables Spreadsheet).

- a. Please provide, in Microsoft Excel format, a similar table identifying what measures for each program in your proposed 2020 DSM Plan have been added, eliminated, modified, or not changed as compared to your Commission-approved 2015 DSM Plan. For programs with only a single measure, please report changes at the program level.
- b. Please provide a brief explanation accompanying each designation, making sure to highlight inter-measure relationships (for example, in the case that one measure replaces another), incentive or participation criteria changes, and any tariff sheets related to a measure.

RESPONSE:

- a. Please see Attachment No. 1 to this response.
- b. Please see Attachment No. 1 to this response.

Attachment No. 1 is the Microsoft Excel Spreadsheet "20200055 - Staff's 1st DR No. 1 - Attachment No. 1," which has been provided via email to Doug Wright at dwright@psc.state.fl.us.

QUESTION:

Please refer to the tab titled “2015 vs. 2020 Program Comp” in the Excel Tables Spreadsheet.

- a. Please provide, in Microsoft Excel format, a similar table identifying the annual and total demand and energy savings (both per program and per program participant), participation, incentive and total program costs (both in nominal and 2020 CPVRR dollars), and annual bill impacts for a residential (1000 kWh per month) customer for each program (including audits) in your proposed 2020 DSM Plan, all residential programs combined, all business programs combined, and all programs combined for the period 2020 – 2024 based on projections from both your 2015 DSM Plan and 2020 DSM Plan filings. If any values cannot be provided, please explain why.
- b. Please also include in the table Rate Impact Measure (RIM), Total Resource Cost (TRC), and Participant (PCT) test results for each program (excluding audits) in your proposed 2020 DSM Plan, all residential programs combined, all business programs combined, and all programs combined for the period 2020 – 2024 based on projections from both your 2015 DSM Plan (if available) and 2020 DSM Plan filings. If any values cannot be provided, please explain why.

RESPONSE:

- a. Please see Attachment No. 1 to this response.

The values requested for participation and savings per participant for Residential Programs Combined, Business Programs Combined, and All Programs Combined are unable to be provided. The units of participation and savings per participant differ between programs, the differing unit values will not allow for compiling in the aggregate.

- b. Please see Attachment No. 1 to this response.

Attachment No. 1 is the Microsoft Excel Spreadsheet “20200055 - Staff's 1st DR No. 2 - Attachment No. 1,” which has been provided via email to Doug Wright at dwright@psc.state.fl.us.

QUESTION:

Please adjust the incentive levels, and any program attributes that would change as a result (participation, administrative costs, etc.), of each program (excluding audits) in your proposed 2020 DSM Plan to raise their RIM test results to as close to 1.00 as possible.

- a. Please explain if this modified 2020 DSM Plan (2020 RIM DSM Plan) is capable of achieving the annual residential and business goals established by the Commission by Order No. PSC-2019-0509-FOF-EG.
- b. Please refer to the tab titled “2020 RIM DSM Plan” in the Excel Tables Spreadsheet. Please provide, in Microsoft Excel format, a similar table identifying the annual and total demand and energy savings (both per program and per program participant), participation, incentive and total program costs (both in nominal and 2020 CPVRR dollars), and annual bill impacts for a residential (1000 kWh per month) customer for each program (including audits) in the 2020 RIM DSM Plan, all residential programs combined, all business programs combined, and all programs combined for the period 2020 – 2024. If any values cannot be provided, please explain why.
- c. Please also include in the table Rate Impact Measure (RIM), Total Resource Cost (TRC), and Participant (PCT) test results for each program (excluding audits) in the 2020 RIM DSM Plan, all residential programs combined, all business programs combined, and all programs combined for the period 2020 – 2024. If any values cannot be provided, please explain why.

RESPONSE:

- a. For all residential and business energy efficiency programs, incentive levels of \$0 would not increase RIM scores to 1.0. The incentive level for the Curtailable Load program is already set at the maximum amount that keeps the program RIM-passing. Further, a program with zero incentives would attract no participation resulting in this revised set of programs not being capable of achieving the annual residential and business goals established by the Commission by Order No. PSC-2019-0509-FOF-EG.
- b. Please see Attachment No. 1 to this response.

The values requested for participation and savings per participant for Residential Programs Combined, Business Programs Combined, and All Programs Combined are unable to be provided. The units of participation and savings per participant differ between programs, the differing unit values will not allow for compiling in the aggregate.

- c. Please see Attachment No. 1 to this response.

Attachment No. 1 is the Microsoft Excel Spreadsheet “20200055 - Staff's 1st DR No. 3 - Attachment No. 1,” which has been provided via email to Doug Wright at dwright@psc.state.fl.us.

QUESTION:

Please refer to pages 10-11 and 24-25 of Schedule 1 to the Company's petition for approval of its proposed demand side management plan (DSM Plan Petition), filed on February 24, 2020.

- a. How does the Company measure success of its audit programs?
- b. Please explain if Home Energy Kits are provided to participants in the Residential Home Energy Survey program?
- c. Please provide how long the Company maintains records for its Residential Home Energy Survey and Business Energy Survey audits?
- d. Please explain if the Company compares customer energy consumption before and after performing Residential Home Energy Survey or Business Energy Survey audits. If not, why not?

RESPONSE:

- a. The Residential and Business Energy Survey programs are the primary educational programs to help customers improve the energy efficiency of their home or business through energy conservation advice and information that encourages the implementation of efficiency measures and behaviors resulting in energy and utility bill savings. Gulf Power determines the success of these programs by the number of customers electing to complete an energy survey. With many customers preferring to seek information online, Gulf has increased promotion of this option and has seen a corresponding increase in online audit completions. Overall, however, interest in these programs has decreased as customers benefit from improved energy efficiency naturally through improved appliance efficiency standards and building codes.
- b. Home Energy Kits are not provided to participants in the Residential Home Survey program.
- c. Gulf Power maintains records for its Residential Home Energy Survey and Business Energy Survey audits for 5 years.
- d. Although the customer's energy consumption is reviewed in preparation for conducting an energy survey, the Company does not compare the customer energy consumption before and after performing Residential Home Energy Survey or Business Energy Survey audits. The Company does not report any energy or demand savings associated with conducting Residential or Business Energy Surveys. The program goal is to educate our customers and improve the energy efficiency of their home or business while operating the program so as to minimize cost to the general body of customers. Therefore, in an effort to control costs, it has been Gulf's practice not to engage in post-survey energy consumption comparisons.

QUESTION:

Please refer to page 12-13 of Schedule 1 to the DSM Plan Petition. Please explain how the Company could increase participation in its Residential Low Income program.

RESPONSE:

Participation in the Company's low-income program is limited to households located within geographically defined areas in which 50 percent of the households have incomes equal to or less than 200 percent of the poverty level set by the U.S. Department of Energy. After identifying qualifying geographic areas, Gulf sends letters to each customer in the selected area which explain the details of the program and inform customers that Gulf's third-party contractor will soon be visiting the area to offer the program. Program participation is voluntary and the customer decides whether to avail themselves of the offering. Despite the no-cost nature of the program, participation rates do not equal 100 percent of the eligible customers in the targeted areas. Although not all customers choose to participate, Gulf has experienced commendable success with the program. Gulf believes that increased promotion of the program through community organizations, faith-based organizations and low-income agencies could lead to even higher participation rates. One such example is the Company's participation in financial literacy training provided by the Pensacola Salvation Army. Many of the attendees of these seminars live in areas that qualify for the low-income program. Customers who participate in these trainings gain a better understanding of the benefits of participating in the low-income program.

QUESTION:

Please refer to page 34 of Schedule 1 to the DSM Plan Petition. Please explain how the Company projects 3,750 annual participants in its Residential Low Income for the period 2020 – 2024.

RESPONSE:

Gulf has been providing this program to eligible customers in Northwest Florida since 2011. During that time, the Company has averaged 2,490 participants per year and the program vendor has demonstrated an annual participation high of 3,327. Based on historical participation rates and the number of eligible customers who have yet to participate, the Company believes an annual participation rate of 3,750 is reasonable and attainable.

QUESTION:

Please refer to page 60 of Schedule 1 to the DSM Plan Petition. Please explain why utility program costs (Column 3) appear in the years 2020 – 2024, but not in the following years. Explain the nature of these costs.

RESPONSE:

The program costs reflected in this section of the DSM Plan represent “non-recurring” program administrative costs related to enrolling new participants in the DSM programs. These costs would only be incurred in the years covered in this DSM Plan and not reflected in future years.

QUESTION:

Please refer to Section II of Attachment 1 to the DSM Plan Petition. For those programs containing multiple incentivized measures, please explain the methodology the Company follows to aggregate incentive costs to the program level.

RESPONSE:

Gulf Power has only one program where the incentive costs are presented in aggregate to the program level. The Business HVAC Program includes four measures which have individual incentive amounts. Gulf applied the weighted average – the number of projected measure installations during the year times the amount of the per measure incentive, then divided by the total number of measures to calculate the aggregate incentive costs to the program level.

QUESTION:

Please refer to paragraph 10 on pages 5-6 of the DSM Plan Petition, in which the Company states it “may cap program participation each year for the residential and business sectors individually once their respective MW and GWh Goals have been achieved.”

- a. Please explain the specific process or procedure the Company would follow to implement limits (“caps”) on program participation in a nondiscriminatory manner. Discuss in your response how customers would be notified if, or when, program participation is capped for a given year.
- b. Please identify the specific residential programs that would, or may, be subject to program participation caps.
- c. Please identify the specific business or C/I programs that would, or may, be subject to program participation caps.

RESPONSE:

- a. At this time the Company has not developed definitive procedures that would be followed to implement caps on program participation. If all three goals (Summer KW, Winter KW, Annual GWh) were achieved for one or both sectors in a given year, Gulf anticipates that it would suspend new enrollment for all programs in the applicable sector. Any program enrollments in progress would be completed without impact. This approach is intended as a means of mitigating rate impact given that most programs do not pass RIM. Implementing a cap in this fashion would ensure that no programs would be favored over others and no discrimination would occur for future enrollments.

If the Company decided to suspend programs under this provision, appropriate notices would be provided on the Company’s website, through the Company’s Call center and Customer Advisors, and through applicable trade-allies.

- b. The concept of the proposed mitigation strategy is not specific to any residential program, but instead to the overall residential goal attainment. Once the total residential goal for Summer KW, Winter KW and Annual GWh is achieved for any year, the Company could consider closing programs for additional enrollment in order to mitigate upward rate pressure.
- c. The concept of the proposed mitigation strategy is not specific to any business program, but instead to the overall commercial/industrial goal attainment. Once the total business goal for Summer KW, Winter KW and Annual GWh is achieved for any year, the Company could consider closing programs for additional enrollment in order to mitigate upward rate pressure.