

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Request for Approval of)	DOCKET NO. 900107-EG
Energy Conservation Plan by)	ORDER NO. 23554
City of Ocala.)	ISSUED: 10-02-90
_____)		

The following Commissioners participated in the disposition of this matter:

MICHAEL McK. WILSON, Chairman
 THOMAS M. BEARD
 BETTY EASLEY
 FRANK S. MESSERSMITH

NOTICE OF PROPOSED AGENCY ACTION
ORDER APPROVING CITY OF OCALA'S CONSERVATION PLAN

BY THE COMMISSION:

NOTICE is hereby given by the Florida Public Service Commission that the action discussed herein is preliminary in nature and will become final unless a person whose interests are adversely affected files a petition for a formal proceeding, pursuant to Rule 25-22.029, Florida Administrative Code.

CASE BACKGROUND

During the 1989 regular session, the Legislature of the State of Florida amended Section 366.82, Florida Statutes, requiring this Commission to adopt goals for increasing the efficiency of energy consumption and increasing the development of cogeneration. Section 366.82, Florida Statutes also directed the Commission to require affected electric and natural gas utilities to submit updated energy conservation programs. On November 14, 1989 the Commission issued Order No. 22186, adopting the goals stated in Rule 25-17.001, Florida Administrative Code, and required the affected utilities to submit new and revised plans and programs to meet the goals within 90 days of the issuance of the Order. Also in the Order, the Commission stated that the conservation programs will be judged by the following criteria:

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08828 OCT -2 1990

PSC-RECORDS/REPORTING

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1. Does each component program advance the policy objectives set forth in Rule 25-17.001 and the FEECA statute?
2. Is each component program directly monitorable and yield measurable results?
3. Is each component program cost effective? (The Commission stated that municipal and cooperative utilities were free to implement non-cost effective programs if they so desired).

The utilities were directed to file programs in four areas: (1) demand side management programs; (2) natural gas programs where cost effective; (3) residential energy audits; and (4) a program for attracting qualifying facilities (cogeneration) into its service area.

Subsequently the Commission deleted that part of Order No. 22176 requiring the electric utilities promotion of gas programs.

Conservation Plan

We agree with our Staff's recommendation that Ocala's conservation programs listed below should be approved:

Existing Programs:

1. Commercial Audit Program

Ocala offers on-site audits twice a year via bill notices. Ocala anticipates performing 200 commercial and industrial audits per year resulting in a summer peak reduction of 160 kW in 1990 and 1991. The reduction in energy consumption is expected to be 350,000 kWh in 1990 and 1991.

2. Commercial Time-of-Use Program

Commercial time-of-use rates are offered to all commercial and industrial customers. This program is expected to reduce peak demand by 100 kW per year. This program is designed to move demand from peak periods to off-peak periods, reducing overall peak demand. Ocala expects one customer per year to participate in this program.

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3. High Pressure Sodium Street Light Program

Ocala plans to convert 430 street lights per year from mercury vapor to high pressure sodium. By the year 1999, Ocala expects to have all of its mercury vapor lights converted. Although staff cannot understand how a street lighting program reduces peak demand, Ocala claims that this program will reduce peak demand by 42.46 kW per year. Lighting conversion programs do reduce energy consumption and Ocala anticipates a reduction in consumption of 178,335 kWh per year. This program costs \$69.71 per mercury vapor lamp replaced.

4. Fix-up Program

Ocala receives government grants for their fix-up programs. This is a low income program with participants as directed by the grants. Ocala expects to have 10 participants per year resulting in a demand reduction of 10 kW per year and an energy reduction of 12,000 kWh per year. Since funds come from government grants, there is no cost to Ocala for this program.

5. Public Awareness Program

Ocala provides speakers on energy conservation and uses bill stuffers in their public awareness program.

6. Residential Audit Program

Bill stuffers are sent out semi-annually offering residential customers energy audits. Ocala anticipates performing 500 audits per year, resulting in a demand reduction of 125 kW per year and an energy reduction of 200,000 per year. The average cost of each audit is \$75.38.

7. Gas Program

Ocala recommends conversion from electric heat and water heating to natural gas during energy audits when such a conversion would be cost-effective to the customer.

8. Cogeneration

Since Ocala has contracted to purchase all of its future power requirements from FMPA, FMPA has assumed the PURPA

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responsibility to purchase all power generated by qualifying facilities in Ocala's service territory. Qualifying facilities may negotiate agreements with FMPA. Negotiated contracts are available for QFs. Contract for QFs outside Ocala's service territory would take into consideration FMPA's limitation in operations and wheeling power to Ocala. At this time, Ocala does not have a standard offer contract for QFs to sign. We agree with Staff's recommendation that Ocala be required to file with the Commission as soon as possible a standard offer contract. This will help encourage cogeneration and at the same time will not be an undue burden on Ocala.

New Programs:

9. Residential Load Management Program

This program will target residential customers that have electrical water heaters, central air conditioning and central heating. It is being developed with the Florida Municipal Power Authority. Ocala estimates that this program will result in a reduction in consumption of 246 kWh per installation, in summer peak demand of 1.12 kW per installation, and in winter peak demand of 2.02 per installation. This program will cost \$217 per installation.

10. City Accounts - Load Management Program

Ocala intends to audit every city account during 1990 and 1991 to identify every piece of equipment that could be load managed or time-of-use controlled and to identify emergency generators that could affect load control.

In consideration of the foregoing, it is

ORDERED by the Florida Public Service Commission that the City of Ocala's conservation plan as described in the body of this Order is approved. It is further

ORDERED that Ocala, or its designee file a standard offer contract for the purchase of capacity and energy from qualified facilities. It is further

ORDERED that if a protest is filed within 20 days of the date of this Order it will be resolved by the appropriate

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Commission panel pursuant to Rule 25-22.006(3)(d), Florida Administrative Code.

By ORDER of the Florida Public Service Commission,
this 2nd day of OCTOBER, 1990.



STEVE TRIBBLE, Director
Division of Records and Reporting

(S E A L)

(8025L)MRC:bmi

NOTICE OF FURTHER PROCEEDINGS OR JUDICIAL REVIEW

The Florida Public Service Commission is required by Section 120.59(4), 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.

The action proposed herein is preliminary in nature and will not become effective or final, except as provided by Rule 25-22.029, Florida Administrative Code. Any person whose substantial interests are affected by the action proposed by this order may file a petition for a formal proceeding, as provided by Rule 25-22.029(4), Florida Administrative Code, in the form provided by Rule 25-22.036(7)(a) and (f), Florida Administrative Code. This petition must be received by the Director, Division of Records and Reporting at his office at 101 East Gaines Street, Tallahassee, Florida 32399-0870, by the close of business on October 23, 1990.

In the absence of such a petition, this order shall become effective on the day subsequent to the above date as provided by Rule 25-22.029(6), Florida Administrative Code, and as reflected in a subsequent order.

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Any objection or protest filed in this docket before the issuance date of this order is considered abandoned unless it satisfies the foregoing conditions and is renewed within the specified protest period.

If this order becomes final and effective on the date described above, any party adversely affected may request judicial review by the Florida Supreme Court in the case of an electric, gas or telephone utility or by the First District Court of Appeal in the case of a water or sewer utility by filing a notice of appeal with the Director, Division of Records and Reporting and filing a copy of the notice of appeal and the filing fee with the appropriate court. This filing must be completed within thirty (30) days of the effective date of this order, pursuant to Rule 9.110, Florida Rules of Appellate Procedure. The notice of appeal must be in the form specified in Rule 9.900(a), Florida Rules of Appellate Procedure.