

Writer's Direct Dial Number: (850) 521-1706
Writer's E-Mail Address: bkeating@gunster.com

May 5, 2021

E-PORTAL FILING

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

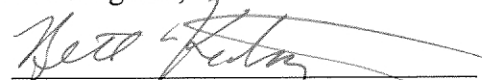
Re: 20210000-OT – Undocketed Filings for 2021. Florida Public Utilities Company 2020 Demand-Side Management Report - Florida Public Utilities Company's Responses to Staff' First Data Request

Dear Mr. Teitzman:

Attached for filing on behalf of Florida Public Utilities Company, please find the Company's Responses to Staff's Data Requests regarding the Company's 2020 DSM Report.

As always, please don't hesitate to let me know if you have any questions. Thank you for your assistance with this filing.

Kind regards,



Beth Keating
Gunster, Yoakley & Stewart, P.A.
215 South Monroe St., Suite 601
Tallahassee, FL 32301
(850) 521-1706

cc:/ Michael Barrett

Florida Public Utilities Company's 2020 DSM Annual Report
Data Responses

Below, please find FPUC's responses to Staff's first data requests regarding its 2020 DSM Annual Report.

1. Please describe how Florida Public Utilities Company (FPUC or Company) monitors federal energy efficiency standards and Florida Building Code requirements. Address in your response how the Company modifies existing programs to reflect changes, when necessary.

FPUC RESPONSE:

The company closely monitors federal energy efficiency standards and Florida Building Code (FBC) requirements through its active participation in the state-wide building code promulgation process and through its industry's representation on the FBC's energy technical advisory committee. The company also regularly participates in Florida Energy code training provided by industry partners and receives biannual Florida Building Code update reports through its industry partners.

The company would seek approval to modify its existing DSM programs should federal energy efficiency standards or Florida building code requirements increase in stringency. Depending upon the change in the external requirement, the modification to the company's program may differ, but typically FPUC would modify its existing programs to increase the minimum requirement for program eligibility so that the program encourages energy decisions that exceed the baseline established by code.

2. Please answer the following regarding FPUC's conservation research and development (CRD) initiatives that evaluate emerging DSM opportunities:
 - A. Identify and describe any new CRD initiatives that were launched in 2020.

FPUC RESPONSE:

No new CRD initiatives were launched in by FPUC in 2020.

- B. Provide updates on the status of all on-going CRD initiatives that began before 2020, and if applicable, attach interim and/or final reports on work completed in 2020.

FPUC RESPONSE:

FPUC continued its ongoing Battery Storage analysis CRD project in 2020 by adding additional participants and technology providers to the scope of research. This Conservation research project is intended to provide FPUC with data and insight for determining appropriate business model design and regulatory structure that should be used to move forward with implementation of a Battery Storage program offering. Specifically, this project will help identify the best residential application for battery storage technology, as either a stand-alone unit or as solar & battery combinations. This effort will evaluate user's acceptance and experience with the technology to improve energy efficiency and reliability. Furthermore, FPUC is investigating the impacts on communications and dispatch that may

stem from these energy systems. Lastly, the project will include a collection of base line data that will be used to model cost-benefit analysis of the technology for load shifting and/or peak shaving and to help analyze the cost effectiveness of using battery storage technology. FPUC's Battery Storage project will continue through 2021 and a final report will be included as an Appendix in the 2021 FPUC Annual DSM Report.

3. Please answer the following regarding FPUC's Low Income Programs:

A. Describe the conservation efforts FPUC used in 2020 to ensure low-income customers are aware of, and have access to, conservation programs. Address in your response whether any of these efforts were changed or modified in 2020, compared to prior years.

FPUC RESPONSE:

Back in 2018, FPUC began taking a more direct approach to ensuring low-income customers are made aware of conservations programs and resources by hosting events that targeted low-income senior centers or housing developments. This approach continued through 2019, but was paused in 2020 due to limitations on hosting in-person type events and energy surveys.

B. Identify FPUC's partnerships with government and non-profit agencies in 2020 designed to help identify low-income neighborhoods and educate customers on conservation opportunities.

FPUC RESPONSE:

FPUC has an existing program that involves direct outreach to local weatherization organizations that have been approved Florida Department of Economic Opportunity for Nassau, Jackson, Calhoun and Liberty Counties. This was, however, scaled back in 2020 due to limitations on conducting in-person surveys.

4. In 2020, what was the Company's System Average Line Loss percentage?

FPUC RESPONSE:

FPUC's System Average Line Loss percentage averages between 4% and 5% each year.

5. On Page 2 of the report, Table 2-1 indicates the Company was able to achieve all of its goals in the residential sector in 2020, although Table 2-2 (on Page 3) indicates that none of the goals in the Commercial/Industrial (C/I) sector were achieved. Please describe the Company's assessment for why the DSM programs in the residential sector achieved all goals compared to the shortfall experienced in the C/I sector. Address in your response what the Company is doing to improve its performance in order to achieve its 2021 goals in the C/I customer class.

FPUC RESPONSE:

Historically, FPUC has surpassed its residential goals, but has struggled to achieve its commercial goals. This is attributed to several factors. FPUC has a much longer history and established network of contractors to help encourage participation among residential programs. Additionally, nearly every residential customer can actively participate in either the HVAC program and/or the residential survey program, whereas only certain commercial building types are eligible for participation. Compounding the issue is the reality that the commercial conservation DSM projects have a much longer project cycle (promotion to installation) versus residential program participation, as well as the fact that there are simply much fewer commercial program participants available.

6. Please describe what efforts are underway to build interest and attract more participation in the Company's C/I programs. Address in your response and provide specificity regarding whether the Company is considering program modifications in this sector.

FPUC RESPONSE:

While efforts have not yet begun, this is an area that will be a focus for the Company's new Conservation Manager. We note here that FPUC's Conservation manager unexpectedly retired in December 2020. The Company anticipates that garnering increased participation in commercial programs will be among the top priorities for the new Conservation Manager.

7. On page 6 of your FEECA filing, data is provided on the number of residential audits conducted in 2020. Please answer the following:
 - A. In 2020, did the Company receive any requests for an audit from customers in the commercial/industrial customer class? If so, provide a detailed response describing how the Company addressed that (those) request(s).

FPUC RESPONSE:

FPUC did not receive any requests for energy audits from customers in the commercial/industrial customer class in 2020. If such requests were made, FPUC would inform the customers of the FPUC Commercial Consultation, which is not an audit, but a rather a meeting (in person or over the phone) intended to discuss any of the available FPUC Commercial Programs, the participation requirements, and to set customer expectations.

- B. Has the Company evaluated expanding its residential audit program to feature the option of an online (internet-based) audit? If so, provide a detailed response.

FPUC RESPONSE:

Yes, after a 2019 evaluation of FPUC's energy tools online energy survey tools, a decision to overhaul and improve these options was made in 2020 and the new online tools are available for all customers on FPUC's website (<https://fpuc.com/calculators/>). These tools include an electric vehicle calculator, an appliance calculator, a heat pump calculator, and an upgraded online energy survey program.

- C. Please provide a full list of the annual demand and energy savings measures that were offered in 2020 under the Residential Energy Survey program. Specify in the list the amount of annual demand and energy savings for each measure.

FPUC RESPONSE:

During each Residential energy audit, the auditor makes observations about the home's overall efficiency. Recommendations may address, among other things, the age of appliances, the effectiveness of the thermal envelope, and conservation issues pertaining to the existence at the residence of a pool, if applicable. The auditor then collects information about the home's energy behavioral patterns, size of family, and priorities for what promoted the audit. The recommended measures that the auditor suggests are unique to each home and are based entirely off field observations. These field-derived recommended measures, combined with the measures produced as a result of FPUC's upgraded online energy survey tool, include all conceivable energy measures, from appliance upgrades and increased insulations to shorter showers and shorter pool-pump runs times. FPUC does not keep a master list of all the efficiency measure recommendations its auditors give annually nor can we specify which measures were adopted. Therefore, the Company is unable to specify the amount of annual demand and energy savings for each measure, as tracking and reporting the amount of annual demand and energy savings for each suggested measure is, at present, not possible.

- D. If a kit is provided to audit participants, please list the contents of this kit. Identify from the list which components contribute to the annual demand and energy savings results shown on for this program, and which are considered behavioral in nature, and do not contribute to savings.

FPUC RESPONSE:

FPUC's kit was been replaced with 2 LED bulbs, each participant who receives an energy survey is eligible. If installed, the 2 LED bulbs are considered to partially contribute to the assumed 141 kWh of assumed annual savings that each energy survey recipient generates.

- E. When kits are provided to customers, what follow-up actions by the Company, if any, are done to assess whether self-install items from the kit have, in fact, been installed? Please explain your response.

FPUC RESPONSE:

FPUC follows up with 10% of the customers who received an energy audit to see if the LED bulbs were installed, to inquire if any other suggestions were implemented, and to provide the customer the opportunity to ask for clarification or further explanation of any issue covered in the energy audit.

- F. What is FPUC's estimate of the number of self install kit items which were distributed in 2020 by type?

FPUC RESPONSE:

In 2020 the amount of in-person energy audits dropped significantly, with only 20 of the 83 energy audits performed were done (63 were down over the phone). In a more typical year, the Company conducts, on average, about 100 in-person audits. For 2020, the total number of kits distributed would be 20, with each kit including the 2 LEDS, which equates to 40 LED bulbs distributed.

- G. Are the kits distributed as part of this program homogeneous in their contents, or are the self install items that are included in the kits dependent upon audit results? Please explain.

FPUC RESPONSE:

Unlike the recommended energy efficiency measures in the auditor's report, which are unique to the individual home and its occupants, the 2 LEDs given to the customer are homogeneous, as their benefit is the same for all customers regardless of a home's efficiency.

- H. For each type of item included in the kit, what is FPUC's estimate of the proportion actually installed of all such items distributed in 2020? How does FPUC measure this?

FPUC RESPONSE:

FPUC's Kit only includes 2 LEDs, and FPUC does not track or measure the proportion of actually installed bulbs. Nonetheless, based upon anecdotal reports of our auditors, we estimate nearly 100% of the bulbs are installed, as they are often installed while the auditor is still on the premises.

- I. Please show the calculations to support the Summer kW Reduction per Installation (at the generator) of 0.054.

FPUC RESPONSE:

The summer KW reduction per installation (at the generator) assumptions of 0.054 are traced back to the current FPUC DSM Plan. The current FPUC DSM plan was approved as a continuation of the proposed and approved 2015 DSM plan. The assumptions for the

displaced KW that were used in the 2015 DSM plan were based on benchmark and proxy data from other FEECA IOUs. The reason that proxy data was used was due to FPUC being exempted from participating in the technical analysis leading up to the 2014-15 DSM goal setting process. This exemption required FPUC to rely on proxy data for certain programs, including the Residential Energy Survey, that were analyzed by the other FEECA IOUs who are not exempt from the 2014-15 goal proceedings. This same explanation applies to Data Requests #7(J) and #7(K) directly below.

- J. Please show the calculations to support the Winter kW Reduction per Installation (at the generator) of 0.063.

FPUC RESPONSE:

Please see the explanation provided in the response to Data Request #7(I).

- K. Please show the calculations to support the kWh Reduction per Installation (at the generator) of 146.

FPUC RESPONSE:

Please see the explanation provided in the response to Data Request #7(I).

- L. Describe why the Company believes the practice of counting substantially all of the annual demand and energy savings reductions from kits is appropriate.

FPUC RESPONSE:

FPUC believes that the practice of counting substantially all of the annual demand and energy savings reductions from kits/(LEDs) is appropriate due to the assumed high install-rate of the LEDs that are provided to the customers who receive an audit.

8. On page 7 of your FEECA filing, data for the Residential Heating and Cooling program is shown. Please answer the following:

- A. Please show the calculations to support the Cost per Installation amount of \$175.

FPUC RESPONSE:

The attached Appendix A: *2020 FPUC Net Benefit Calculator + Annual Report Ref File* is the source file for the Cost per Installation amount of \$175. Within this Workbook, please reference the YELLOW tab titled Costs & Benefits Table (2nd from the left), and note cell K3.

B. Please show the calculations to support the Total Program Cost amount of \$22,123.

FPUC RESPONSE:

The attached Appendix A: *2020 FPUC Net Benefit Calculator + Annual Report Ref File* is the source file for the Total Program Cost amount of \$22,123. Please reference the YELLOW tab titled Costs & Benefits Table and note cell B12, and particular note of how each program is assigned a portion of the total Common Costs.

C. Please show the calculations to support the Annual Net Benefits amount of \$606,094.

FPUC RESPONSE:

The attached Appendix A: *2020 FPUC Net Benefit Calculator + Annual Report Ref File* is the source file for the Annual Net Benefits amount of \$606,094. Please reference the BLUE tab titled Annual Net Benefit and note cell L17.

D. Please show the calculations and results of cost effectiveness tests.

FPUC RESPONSE:

The calculations used for all the of the reported data in FPUC's 2020 Annual DSM Report can be found within the attached Appendix A: *2020 FPUC Net Benefit Calculator + Annual Report Ref File*. However, cost effectiveness was not performed as a result of producing the Annual Report, as the cost effectiveness tests for each program accompanied the filing that approved current FPUC DSM plan (Docket 20200060) and can be found at: <http://www.psc.state.fl.us/library/filings/2020/01080-2020/01080-2020.pdf>

9. On page 7 of your FEECA filing, data for the Commercial Chiller program is shown. Please answer the following:

A. Please explain why a Total Program Cost of \$1,892 was incurred when there were no participants in this program in 2020.

FPUC RESPONSE:

Although no Chiller Program incentives were paid in 2020, the program did incur other program administrative and promotional costs. The RED tab titled 2020 Program Costs within Appendix A, illustrates when these \$1,892 were incurred throughout the year.

B. Please show the calculations to support the Annual Net Benefits amount of (\$7,917).

FPUC RESPONSE:

The attached Appendix A: *2020 FPUC Net Benefit Calculator + Annual Report Ref File* is the source file for the Annual Net Benefits amount of (\$7,917). Please reference the BLUE tab titled Annual Net Benefit and note cell L20.