

April 29, 2024

Writer's E-Mail Address: bkeating@gunster.com

VIA E-PORTAL

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

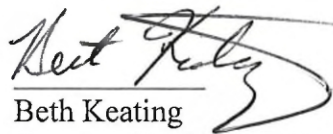
Re: Docket NO. 20240000-OT

Dear Mr. Teitzman:

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

Should you have any questions whatsoever, please do not hesitate to contact me. Thank you for your assistance in this matter.

Sincerely,



Beth Keating
Gunster, Yoakley & Stewart, P.A.
215 South Monroe St., Suite 618
Tallahassee, FL 32301
(850) 521-1706

MEK
Cc://(Barrett)

Florida Public Utilities Company's Responses to Staff's First Data Requests
on FPUC's 2023 DSM Report

1. Please describe how Florida Public Utilities Company (FPUC) monitors current federal energy efficiency standards and Florida Building Code requirements. If applicable, discuss any changes implemented in 2023, compared to the methods used in 2022.

FPUC Response:

FPUC oversees federal minimum efficiency standards by monitoring the Florida Building Code, which aligns with federal regulations. Over time, FPUC has been represented on key Florida Building Commission's Energy Technical Advisory Committee, allowing for active participation in monitoring updates to Florida's energy code. Recently, FPUC engaged in training sessions in January focusing on the energy code requirements outlined in the 8th edition of the Florida Building Code conservation regulations. Furthermore, FPUC rigorously evaluated every proposed amendment to the upcoming 8th edition of the Florida Building Code through involvement in a collaborative FEECA work group. This collective effort aimed to comprehensively review all energy code provisions set to take effect during the 2024 to 2027 code cycle.

- A. What impact, if any, did changes in federal or state standards that occurred in 2023 have on the cost-effectiveness of conservation programs?

FPUC Response:

The revised federal minimum HVAC standards came into effect in 2023, leading FPUC to modify its programs by increasing the efficiency requirements and adapting to the updated terminology as we transition from SEER to SEER2.

- B. If applicable, what existing programs are under review for modification in 2024 to reflect changes to federal or state standards?

FPUC Response:

FPUC is making significant changes to its residential and commercial HVAC programs by broadening them to encompass more technologies, incorporating additional elements such as smart thermostats, and adjusting the incentive structures to enhance participation incentives.

FPUC Data Responses (DSM Report)

2. Page 15 of the Report addresses FPUC's conservation research and development (CRD) initiatives that evaluate emerging DSM opportunities. Please describe the technical complications that prevented FPUC from completing its CRD project in 2023.

FPUC RESPONSE:

The PowerHouse system, a technology under scrutiny in a conservation project, has been uninstalled from the Ryanair industrial site. FPUC is now in search of a new host for further testing after the system did not deliver the expected energy savings. The analysis of the system's underperformance has led to a disagreement between the customer who hosted the technology and the manufacturer. The manufacturer attributes the system's failure to installation issues rather than the technology itself. FPUC is actively looking for a new, large commercial or industrial partner to continue evaluating this technology, because the Company would like to confirm that this technology is truly a potential solution for industrial customers who are currently not well-served in terms of conservation solutions. FPUC is committed to thoroughly assessing the technology's capabilities under proper installation conditions.

3. Please answer the following regarding the Commercial Heating and Cooling program:

- A. Describe the feedback the company has received, if any, from eligible customers regarding this program since 2021 (the last year that this program had participants enrolled).

FPUC Response:

Although FPUC had customers in 2022 and 2023 that did participate in the program, feedback from prospective commercial heating and cooling customers was generally consistent: there was some difficulty securing qualifying HVAC units as the manufacturers had to shut down their factories during this time frame to retrofit their assembly lines due to the new freon requirements mandated by the government.

- B. Provide copies of the marketing materials that were used in 2023 to promote participation in the Commercial Heating and Cooling program.

FPUC Response:

See the accompanying exhibits: Exhibit DMC-1, Exhibit DMC-2, Exhibit DMC-3, and Exhibit DMC-4.

FPUC Data Responses (DSM Report)

- C. Describe the specific actions the company is taking in 2024 to actively promote the Commercial Heating and Cooling program.

FPUC Response:

In 2024, the final year of the program's current five-year cycle, the organization is preparing for a significantly different and expanded program launching in 2025, pending approval through the ongoing DSM Goals Docket. Focusing its efforts, FPUC has been strategically allocating its marketing and outreach budget for the latter part of quarters three and four in 2024. The goal is to build the necessary assets to communicate and promote the upcoming program changes effectively. The strategy for 2024 is to conserve marketing resources until the end of the year to prioritize the new program over the current one.

Despite this strategic communication approach, FPUC consistently meets with vendors in the local areas to promote the HVAC rebates and the qualifications.

- D. As of the date the company provides responses to this data request, please state what results have been achieved from the actions identified in response 3.C. (above).

FPUC RESPONSE:

Overall, involvement in HVAC programs in 2024 has followed a consistent pattern over the past two years. Because of this, and because of FPUC's focusing on changes to the program going forward, there has not been significant customer reaction in 2024.

4. Please answer the following regarding the Commercial Chiller program:

- A. Please provide any information FPUC maintains regarding the number of customers that use commercial chillers, or the cumulative number of chillers in use, in FPUC's service territory.

FPUC Response:

Between the two territories in FPUC's total electric customer footprint, there are a total of twelve commercial customers that own fifteen chillers.

- B. Describe how the company engaged directly with the customers identified in response 4.A. (above) in 2023 to provide information about its Commercial Chiller program.

FPUC Response:

FPUC staff seeks to develop and maintain quality relationships with all of its commercial customers so that the Company can better understand each of its individual customers' needs. This improved understanding allows FPUC to

provide the appropriate information to the Company's appropriate customers, including the prospective chiller customers. FPUC provides this information to its customers through the use of written marketing materials and the Company's website.

- C. What feedback has the company received from eligible customers regarding their interest, or lack thereof, to enroll in this program since 2016 (the last year that this program had participants enrolled).

FPUC Response:

Unfortunately, the feedback received from these customers has been generally consistent: it suggests that the rebate amounts for the chillers are not enough to motivate customers to purchase more efficient chillers.

- D. Describe the specific actions the company is taking in 2024 to actively promote the Commercial Chiller program.

FPUC Response:

FPUC actively engages with prospective customers to provide the appropriate conservation information to the appropriate customers, including prospective chiller customers. This information is provided through written marketing materials and through the Company's website. More specifically, as set forth in Witness Craig's testimony in Docket No. 20240015-EG, FPUC will be seeking to extend its Chiller Rebate program, and is, therefore, currently reviewing changes to the incentive structure for calculating incentives. FPUC will be examining various options, such as a cost per KW reduction or providing incentives based on a percentage of the incremental capital cost, to identify the most effective method for incentivizing the selection of optimal chillers.

- E. As of the date the company provides responses to this data request, please state what results have been achieved from the actions identified in response 4.D. (above).

FPUC Response:

FPUC has seen little to no participation in the chiller replacement program due to the actions taken so far in 2024. There are two reasons believed for this: first, many of FPUC's chiller customers have recently replaced their units within the past five years and, barring catastrophic equipment malfunction, these customers may not look to upgrade their systems again in the near future. Second, many of the remaining customers that have not replaced their chiller equipment are expected to avoid large capital outlays by repairing these devices.

5. Please answer the following regarding the Commercial Reflective Roof program:

- A. How does the company provide information about the Commercial Reflective Roof program to eligible customers? Describe all new marketing techniques or methods that have been implemented to promote this program since 2020 (the last year that this program had participants enrolled).

FPUC Response:

As with the Commercial Chiller program, FPUC staff seeks to develop and maintain quality relationships with all of its commercial customers so that the Company can better understand each of its individual customers' needs. This improved understanding allows FPUC to provide the appropriate information to the Company's appropriate customers, including the prospective commercial reflective roof customers. FPUC provides this information to its customers through the use of written marketing materials and the Company's website. In addition, information concerning this program (and other conservation programs) is available on the Company website.

- B. Describe the specific actions the company is taking in 2024 to actively promote the ~~Commercial Chiller~~ Commercial Reflective Roof program.

FPUC Response:

Here, FPUC believes that the Commission actually meant to ask about the Commercial Reflective Roof program as opposed to the Commercial Chiller program. As noted in Witness Craig's testimony in Docket No. 20240015-EG, FPUC will propose that its Commercial Reflective Roof program be discontinued.

- C. As of the date the company provides responses to this data request, please state what results have been achieved from the actions identified in response 5.B. (above).

FPUC Response:

FPUC has seen little to no participation in the commercial reflective roof program due to the actions taken so far in 2024. FPUC is already considering all of its options for adjustments to the program in the next five year cycle due to the lack of participation in this program.

6. On Page 6 of the Report, the company asserts that a shortfall in participation for the Residential Heating and Cooling Upgrade program occurred in the summer of 2023. Describe the specific actions the company took to address the shortfall when it was identified.

FPUC Response:

FPUC believes that there are two possible reasons for this shortfall: 1) the mild weather experienced in the winter of 2023; and 2) the effects of inflation. Unfortunately, FPUC can not address the inflation effect with the exception of updating the program information on its website and continue to meet with all local HVAC contractors, reminding them of the HVAC rebate program. As with the past effects of the milder weather, however, the Company believes that a more positive response would be the result of more normalized weather patterns motivating customers to update their HVAC systems.

7. On Page 8 of the Report, Table 3-1 indicates the company conducted 154 audits in 2023.
- A. Please describe why the company believes it was successful in offering more audits in 2023 (154), compared to the number in 2022 (74).

FPUC Response:

There were two main contributing factors to the increase in the number of audits between 2022 and 2023. First, 2023 was an additional year removed from the COVID 19 pandemic; therefore, more customers felt comfortable allowing FPUC personnel into their homes to perform the audits. And second, with the advent of inflation and a coincidental increase in FPUC residential rates, more customers were looking for opportunities to lower their power bills.

- B. In 2023, did the company receive any requests for an audit(s) from customers in the commercial/industrial customer class? If so, provide a detailed response describing how the company addressed such request(s).

FPUC Response:

FPUC did receive requests for audits from commercial and industrial customers during 2023. In response to these requests, FPUC did meet with 45 of these customers to perform the energy consultations that the Company had the capability of performing. FPUC has been in discussions with third party entities to perform the remaining audits, which are for larger industrial customers.

FPUC Data Responses (DSM Report)

C. Please populate the following table to provide a subcategorization of the 154 audits conducted in 2023.

Residential Audits by Type in 2023

Utility	In-Person	Virtual		Total
	Walk-Through, BERS, and Computer-Assisted	Online	Phone	
FPUC	110	44		154

8. On Page 14 of the Report, Table 3-6 indicates the company incurred a cost of \$653 for the Commercial Consultation program. Please provide a detailed description of this cost and explain how the per-installation cost of \$14.50 was calculated.

FPUC Response:

Due to a small error made during the compilation of the annual report, the actual cost for the Commercial Consultation program is \$635 as opposed to \$653. For 2023, these costs were dominated by expenses paid to one of the local newspapers (The County Record) for conservation program advertising. The following table shows a breakdown of the \$635 in annual program costs.

Category	Amount
<i>Print Advertising</i>	\$289
<i>Other Communications Expenses</i>	\$226
<i>Advertising</i>	\$120
Total	\$635

There were 45 participants in FPUC’s Commercial Consultation program during 2023. Therefore, dividing the total cost of \$653 by the 45 participants produces a per-installation cost of \$14.50. However, as stated earlier in this response, the actual cost was \$635; therefore, the per-installation cost should be:

Total Commercial Consultation Cost	\$635
Number of Participants in 2023	÷ 45
Per-Installation Cost	\$14.10

9. On Page 15 of the Report, the company states that it “remains committed to collaborating with industry partners and contractors in its service territory to promote . . . [its] commercial . . . programs to its customers.” Describe the specific collaborative actions the company took in 2023 to promote its commercial programs to customers.

FPUC Response:

FPUC maintains open communications with our Commercial/Industrial customers as well as vendors, industry partners, and contractors to keep them up to date on our rebates. For example, the Company meets with these parties to discuss program changes, sends mailers to these parties to increase their program knowledge, and updates the information on its website that promote the program.

10. In 2023, what was FPUC’s System Average Line Loss percentage?

FPUC Response:

The Company’s System Average Line Loss percentage was 5.91% in 2023.

DMC-1



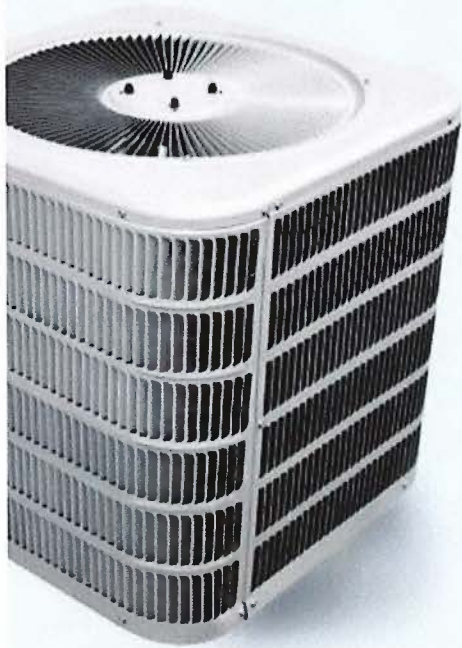
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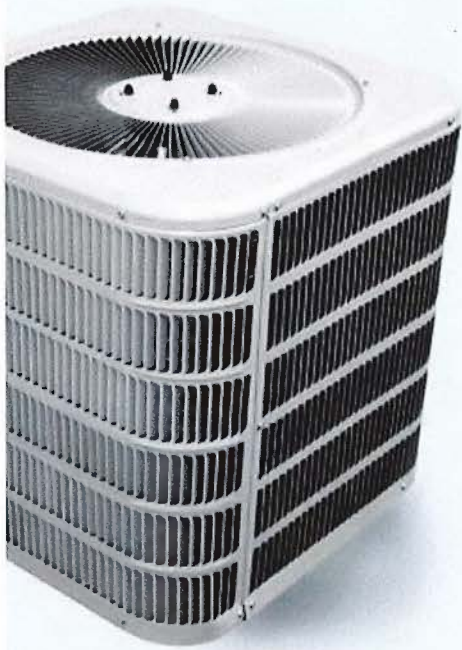


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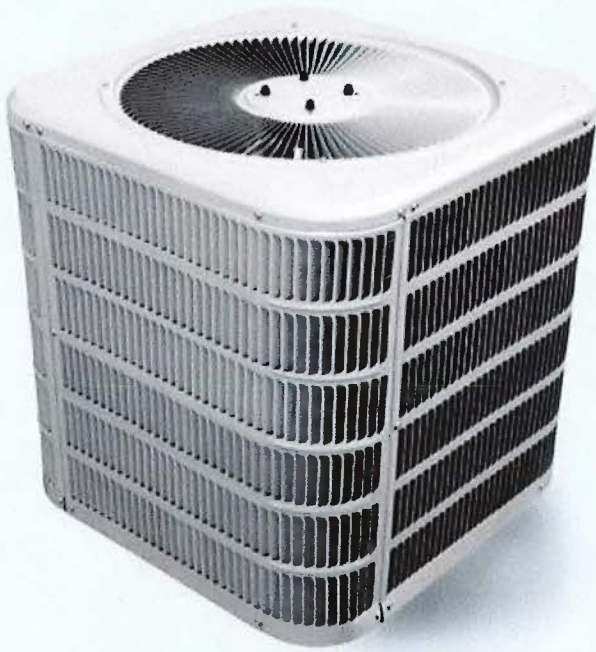


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DMc-3



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Commercial Rebates

Florida Public Utilities offers commercial electric rebates for businesses to help offset the cost of making energy-efficiency upgrades.

Commercial Heating & Cooling Efficiency Upgrade Program:

Commercial Heating & Cooling Efficiency Upgrade Program:

- Jumpstart your HVAC energy-savings with a **\$100 rebate** when you:
- Replace your current system with a high-efficiency heat pump or air conditioning system
 - Install a new high-efficiency heat pump or air conditioning system

	CUSTOMER REBATE	DEALER INCENTIVE
Type 1 – Heat pump replacing resistance heat	\$100	\$75
Type 2 – Heat pump replacement	\$100	\$25
Type 3 – Air conditioner replacement	\$100	\$25
Type 4 – New heat pump or air conditioner	\$100	\$25

In order to be eligible for a rebate, the commercial customer must:

- Replace existing equipment with—or install—a new heat pump (AHRI rating only) or central air conditioning system with a minimum rating of 16.0 SEER (15.3 SEER2)
- On January 1st, 2023, the new Federal Minimum Standards increased the minimum efficiency requirement. The new minimum requirement for the FPUC rebate program is 16 SEER, or 15.3 SEER2. (A grace period has been extended through March 31, 2023 to process SEER 15 rebates.)*
- If installed on or before March 31, 2023 – A minimum rating of 15 SEER or 14.3 SEER2 is required for a rebate.*
- If installed on April 1, 2023, or After – A minimum rating of 16 SEER or 15.3 SEER2 is required for a rebate.*
- Be the owner of the business, which must be located in FPU's electric service area
- Have a ducted HVAC system
- Submit a signed rebate application to FPUC within one year of the installation date
- Dealer incentive will be paid to the contractor for the purchase and installation of a qualifying unit once the commercial rebate is approved

- #### Additional Details:
- For a new heat pump installed or a heat pump being replaced, the maximum supplemental strip heating physically contained in the system shall not exceed 2 kW per nominal ton. On a system of less than 2.5 tons, a 5 kW heat strip will be allowed
 - For a heat pump using supplemental strip heating, a two-stage indoor thermostat is required
 - If replacing a straight cooling system, the business cannot have oil or electric resistance as the primary heat source
 - The customer and/or contractor must attest that the heat pump or air conditioner installation meets all required codes and standards. FPU accepts no liability for the installation

Commercial Chiller Upgrade Program:

Commercial Reflective Roof Program:

[Download Rebate Form](#)

Please note: You must file for your appliance/equipment rebates within 1 year from your purchase date[s]. Rebate offer expires at end of 12-month period.





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- Safety
- Energy Saving Tools
- Electric Customer Service

Residential Electric Rebates

Florida Public Utilities offers residential electric rebates for homes to help offset the cost of making energy-efficiency upgrades.

Residential Heating & Cooling Efficiency Upgrade Program:

Jumpstart your HVAC energy-savings with up to a **\$100 rebate** when you:

- Replace your current system with a high-efficiency heat pump or air conditioning system
- Install a new high-efficiency heat pump or air conditioning system

Rebate Amounts:

	CUSTOMER REBATE	DEALER INCENTIVE
Type 1 – Heat pump replacing resistance heat	\$100	\$75
Type 2 – Heat pump replacement	\$100	\$25
Type 3 – Air conditioner replacement	\$100	\$25
Type 4 – New heat pump or air conditioner	\$100	\$25

In order to be eligible for a rebate, the residential customer must:

- Replace existing equipment with—or install—a new heat pump (AHRI rating only) or central air conditioning system with a minimum rating of 16.0 SEER (15.3 SEER2)
- On January 1st, 2023, the new Federal Minimum Standards increased the minimum efficiency requirement. The new minimum requirement for the FPUC rebate program is 16 SEER, or 15.3 SEER2. (A grace period has been extended through March 31, 2023 to process SEER 15 rebates.)*
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- If installed on April 1, 2023, or After – A minimum rating of 16 SEER or 15.3 SEER2 is required for a rebate.**
- Be the owner of the residence, which must be located in FPU's electric service area
- Have a ducted HVAC system
- Submit a signed rebate application to FPUC within one year of the installation date
- Dealer incentive will be paid to the contractor for the purchase and installation of a qualifying unit once the residential rebate is approved

Additional Details:

- For a new heat pump installed or a heat pump being replaced, the maximum supplemental strip heating physically contained in the system shall not exceed 2 kW per nominal ton. On a system of less than 2.5 tons, a 5 kW heat strip will be allowed
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Please note: You must file for your appliance/equipment rebates within 1 year from your purchase date(s). Rebate offer expires at end of 12-month period.

