

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition for approval) DOCKET NO. 920578-EG
of efficient motors program by) ORDER NO. PSC-92-1118-FOF-EG
Florida Power and Light) ISSUED: 10/05/92
Company)
_____)

The following Commissioners participated in the disposition of this matter:

THOMAS M. BEARD, Chairman
J. TERRY DEASON
BETTY EASLEY
LUIS J. LAUREDO

NOTICE OF PROPOSED AGENCY ACTION
ORDER APPROVING CONSERVATION PROGRAM

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

On February 12, 1990, Florida Power and Light Company (FPL) filed its "Demand Side Management Plan for the 90's" in compliance with Order No. 22176, issued November 14, 1989, in Docket No. 890737-PU. That plan, which the Commission approved in Order No. 23560, issued October 2, 1990, in Docket No. 900091-EG, contained a number of program concepts under investigation by FPL, one among them being a commercial-industrial efficient motors program. On June 3, 1992, FPL filed a petition for Commission approval of its Efficient Motors Program as a predicate to being allowed to recover the program costs through the Energy Conservation Cost Recovery Clause.

COST-EFFECTIVENESS

In Order No. 22176, the Commission announced that conservation programs would be judged by the following criteria: (1) whether the program advances the policy objectives set forth in Rule 25-17.001, Florida Administrative Code, and Sections 366.80-366.88, Florida Statutes, the "Florida Energy Efficiency and Conservation

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Act" (FEECA); (2) whether the program is directly monitorable and yields measurable results; and (3) whether the program is cost-effective. We find that FPL's Efficient Motors Program meets these criteria.

The objective of FPL's Efficient Motors Program is to encourage qualified FPL customers to purchase high efficiency electric motors, rather than standard efficiency motors, when installing a new motor or replacing an old one. High efficiency motors will have the effect of reducing the kW and kWh growth rates of motor loads. As a residual benefit, a program of this nature will move the electric motor market to higher levels of efficiency. FPL has developed an efficiency qualification list which it will use in determining eligibility for the program. As the market moves to higher efficiencies, FPL will adjust the minimum efficiencies required for program eligibility.

FPL has proposed to divide the program into two eligibility categories: (1) commercial and industrial customers who purchase motors between 1 to 100 horsepower (HP) and (2) commercial and industrial customers who purchase motors greater than 100 HP. FPL has divided the program in this manner to match the motor profile in the company's service territory. Approximately 85 percent of FPL's commercial and industrial customers utilize motors with a HP rating less than or equal to 5. Nearly 96 percent have motors less than or equal to 25 HP. Only 1.2 percent use motors greater than 100 HP.

For qualifying motors of less than or equal to 100 HP, FPL proposes to provide a direct incentive to the customer in the form of a rebate. The motor must have an efficiency rating above the listed minimum for the respective size motor, and the customer must provide documentation authenticating the purchase of the new motor. Rebates will range from \$30 for a 1 to 1.5 HP motor to \$120 for a 100 HP motor.

FPL states that since efficiency gains for motors greater than 100 HP are less than those for smaller motors, it proposes to perform an individual analysis on each customer request for program participation for motors greater than 100 HP. Thus, cost-effectiveness will be determined on an individual motor basis.

In our review of FPL's program, we performed several established cost-effectiveness tests for the three rate classes

utilizing these motors, the GS, GSD, GSLD classes, with the following results:

	GS	GSD	GSLD
KW reduction	.07	.10	.12
KWH reduction	73	115	175
Total Resource Cost Test	1.0999	1.2107	1.1635
Participant Test	1.2345	1.5545	1.3924
Rate Impact Test	1.0926	1.0231	1.0757

FPL proposes to monitor a sample of program participants to determine actual savings attributable to the program. FPL will collect data from participants and non-participants to establish usage patterns, demand impacts, and to validate engineering estimates of savings.

In consideration of the above, we conclude that FPL's Efficient Motors Program meets the criteria of Order 22176 by advancing the policy objectives set forth in Rule 25-17.001, Florida Administrative Code, and FEECA, by being directly monitorable and yielding measurable results, and by being cost-effective, and we hereby approve the program.

PARTICIPATION STANDARDS

FPL shall file program participation standards within 60 days of the date of this Order. These standards should clearly state FPL's requirements for the program in a manner which precludes program bias and assures program integrity and should include, at a minimum, specific details on the following criteria:

- (1) customer eligibility;
- (2) equipment eligibility, including minimum efficiencies;
- (3) equipment performance verification and investment protection;
- (4) incentive credit determination and administration;

- (5) program monitoring and measurement;
- (6) reporting requirements; and
- (7) sample format for reporting project costs with clear separation of incentive dollars from other program dollars.

Our staff is given administrative authority to approve the participation standards.

PROGRESS REPORT

In addition to the normal FEECA filings, FPL shall file a progress report with the Commission after the program has been fully implemented for one year. The report shall provide, at a minimum, the following information:

- (1) A narrative summary of FPL's experience with the program;
- (2) FPL's marketing efforts including samples of media used;
- (3) FPL's planned participation and actual results;
- (4) Revised estimates of winter and summer kW savings and annual kWh savings by year over the next 10 years with detailed explanations of how these savings were calculated;
- (5) Revised estimates of start-up and annual program costs with detailed explanations of how these costs were calculated; and
- (6) Updated cost-effectiveness tests based on any revised assumptions.

Based on the foregoing, it is, therefore,

ORDERED by the Florida Public Service Commission that Florida Power and Light Company's Efficient Motors Program is hereby approved. It is further

ORDERED that within 60 days of the date of this Order, Florida Power and Light Company shall file program participation standards as set forth in the body of this Order. Staff is given administrative authority to approve these standards. It is further

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ORDERED that Florida Power and Light Company FPL shall file a progress report after the Efficient Motors Program has been fully implemented for one year as set forth in the body of this Order. It is further

ORDERED that all of the provisions of this Order are issued as proposed agency action and shall become final unless an appropriate petition in the form provided by Rule 25-22.029, Florida Administrative Code, is received by the Director of the Division of Records and Reporting at his office at 101 East Gaines Street, Tallahassee, Florida 32399-0870, by the date set forth in the Notice of Further Proceedings below. It is further

ORDERED that this docket will be closed if no timely protest is filed.

By ORDER of the Florida Public Service Commission this 5th day of October, 1992.

STEVE TRIBBLE, Director
Division of Records and Reporting

(S E A L)

MJF

by: Kay Jeyan
Chief, Bureau of Records

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

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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 26, 1992.

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.

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 wastewater 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.