

VOTE SHEET

October 27, 2009

**Docket No. 080407-EG** – Commission review of numeric conservation goals (Florida Power & Light Company).

**Docket No. 080408-EG** – Commission review of numeric conservation goals (Progress Energy Florida, Inc.).

**Docket No. 080409-EG** – Commission review of numeric conservation goals (Tampa Electric Company).

**Docket No. 080410-EG** – Commission review of numeric conservation goals (Gulf Power Company).

**Docket No. 080411-EG** – Commission review of numeric conservation goals (Florida Public Utilities Company).

**Docket No. 080412-EG** – Commission review of numeric conservation goals (Orlando Utilities Commission).

**Docket No. 080413-EG** – Commission review of numeric conservation goals (JEA).

**Issue 1:** Did the Company provide an adequate assessment of the full technical potential of all available demand-side and supply-side conservation and efficiency measures, including demand-side renewable energy systems, pursuant to Section 366.82(3), F.S.?

**Recommendation:** Yes. The seven FEECA utilities and NRDC/SACE (the Collaborative) retained the consulting firm ITRON to perform a technical potential study. The ITRON study identified 58,616 GWhs of annual energy, 14,375 MWs of summer system peak demand, and 8,883 MWs of winter system peak demand as the statewide technical potential of demand-side conservation and energy efficiency measures for Florida. A supply-side technical potential was not calculated.

**DEFERRED**

COMMISSIONERS ASSIGNED: CT ED AG SK

COMMISSIONERS' SIGNATURES

MAJORITY

DISSENTING

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REMARKS/DISSENTING COMMENTS:

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FPSC-COMMISSION CLERK

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**Issue 2:** Did the Company provide an adequate assessment of the achievable potential of all available demand-side and supply-side conservation and efficiency measures, including demand-side renewable energy systems?

**Recommendation:** Yes. Each FEECA utility utilized the Technical Potential Study performed by ITRON to develop a statewide achievable potential for energy efficiency and conservation. In coordination with ITRON, the FEECA utilities disclosed the necessary information and analysis required by statute.

## DEFERRED

**Issue 3:** Do the Company's proposed goals adequately reflect the costs and benefits to customers participating in the measure, pursuant to Section 366.82(3)(a), F.S.?

**Recommendation:** Yes. The utilities properly used the Participants Test in the screening of measures in order to determine the costs and benefits to customers that participate in DSM programs.

## DEFERRED

**Issue 4:** Do the Company's proposed goals adequately reflect the costs and benefits to the general body of ratepayers as a whole, including utility incentives and participant contributions, pursuant to Section 366.82(3)(b), F.S.?

**Recommendation:** Yes. Staff believes that the Participants Test, RIM Test, and TRC Test should all be used to set goals.

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**Issue 5:** Do the Company's proposed goals adequately reflect the costs imposed by state and federal regulations on the emission of greenhouse gases, pursuant to Section 366.82(3)(d), F.S?

**Recommendation:** No. The FEECA utilities, in analyzing DSM measures for this proceeding, went beyond requirements of the statute by including potential CO<sub>2</sub> emission costs. The utilities' projections of potential CO<sub>2</sub> costs varied by over 100 percent, and, therefore, should not be relied upon in this goal setting process.

## DEFERRED

**Issue 6:** Should the Commission establish incentives to promote both customer-owned and utility-owned energy efficiency and demand-side renewable energy systems?

**Recommendation:** No. Increasing rates in order to provide incentives to utilities is more appropriately addressed in a future limited scope proceeding as provided for in Section 366.82(9), F.S. Customers are already eligible to receive incentives through existing DSM programs.

## DEFERRED

**Issue 7:** In setting goals, what consideration should the Commission give to the impact on rates?

**Recommendation:** The Commission should give substantial consideration to the impact on rates when setting conservation goals. The legislative intent for public utility regulation is protection of the public welfare. Ensuring reasonable rates, among other issues, is an integral part of that protection.

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**Issue 8:** What cost-effectiveness test or tests should the Commission use to set goals, pursuant to Section 366.82, F.S.?

**Recommendation:** As discussed in Issue 4, staff believes that the Participants Test, RIM Test, and TRC Test should all be used to set goals.

**DEFERRED**

**Issue 9:** What residential summer and winter megawatt (MW) and annual Gigawatt-hour (GWh) goals should be established for the period 2010-2019?

**Recommendation:** The Commission should reject the residential goals proposed by the utilities, NRDC/SACE, FSC, and GDS for the various reasons discussed in staff's memorandum dated October 15, 2009. Staff recommends that residential goals be approved based on the FEECA utilities continuing to offer their existing programs consistent with their 2009 Ten-Year Site Plans and existing programs. In addition, the utilities should be required to expand their educational programs to include measures that failed the two-year payback screening and measures offering significant savings potential that passed the TRC Test, but failed the RIM Test.

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**Issue 10:** What commercial/industrial summer and winter megawatt (MW) and annual Gigawatt hour (GWh) goals should be established for the period 2010-2019?

**Recommendation:** The Commission should reject the commercial/industrial goals proposed by the utilities, NRDC/SACE, FSC, and GDS for the various reasons discussed in staff's memorandum dated October 15, 2009. Staff recommends that commercial/industrial goals be approved based on the FEECA utilities continuing to offer their existing programs consistent with previous filings in the Ten-Year Site Plan and power plant need determinations. In addition, the utilities should be required to expand their educational programs to include measures that failed the two-year payback screening and measures offering significant saving potential that passed the TRC Test, but failed the RIM Test.

## DEFERRED

**Issue 11:** In addition to the MW and GWh goals established in Issues 9 and 10, should the Commission establish separate goals for demand-side renewable energy systems?

**Recommendation:** The Commission can meet the requirements of Section 366.82(2), F.S., while protecting ratepayers by requiring the IOUs to offer demand-side renewable programs that do not otherwise pass any of the cost-effectiveness tests, subject to an expenditure cap. Utilities should be required to file pilot programs focusing on encouraging solar water heating and solar PV technologies in the DSM program approval proceeding. Expenditures should be capped at 5 percent of the average annual recovery through the Energy Conservation Cost Recovery clause for the previous five years. Annual expenditures of 5 percent would result in total support for programs designed to encourage solar of approximately \$12.2 million per year for the IOUs.

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**Issue 12:** In addition to the MW and GWh goals established in Issues 9 and 10, should the Commission establish additional goals for efficiency improvements in generation, transmission, and distribution?

**Recommendation:** No. Since the IOUs did not provide a technical potential of supply-side efficiency measures, goals for generation, transmission, and distribution cannot be established at this time. However, efficiency improvements for generation, transmission, and distribution are continually reviewed through the utilities' planning processes in an attempt to reduce the cost of providing electrical service to their customers.

## DEFERRED

**Issue 13:** In addition to the MW and GWh goals established in Issues 9 and 10, should the Commission establish separate goals for residential and commercial/industrial customer participation in utility energy audit programs for the period 2010-2019?

**Recommendation:** No. Separate goals for customer participation in energy audit programs are unnecessary and could be duplicative.

## DEFERRED

**Issue 14:** What action, if any, should the Commission take in this proceeding to encourage the efficient use of cogeneration?

**Recommendation:** No additional action is needed. The Commission has appropriately implemented legislative policy to encourage the development and compensation requirements of cogeneration.

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**Issue 15:** Since the Commission has no rate-setting authority over OUC and JEA, can the Commission establish goals that puts upward pressure on their rates?

**Recommendation:** Staff recommends that the Commission has authority to adopt conservation goals for all electric utilities under the jurisdiction of FEECA. OUC and JEA come within the meaning of utility as defined by FEECA. Developing, establishing, and adopting conservation goals is a regulatory activity exclusively granted to the Commission by FEECA and is not ratemaking within the meaning of Chapter 366, F.S. Therefore, staff recommends that the Commission has the authority to develop, establish, and adopt conservation goals for OUC and JEA as required by Section 366.82, F.S.

**DEFERRED**

**Issue 16:** Should this docket be closed?

**Recommendation:** Yes. These dockets should be closed after the time for filing an appeal has run. Within 90 days of the issuance of the final order, each utility shall file, as needed, a demand side management plan designed to meet the utility's approved goals.

**DEFERRED**