

State of Florida



## Public Service Commission

CAPITAL CIRCLE OFFICE CENTER • 2540 SHUMARD OAK BOULEVARD  
TALLAHASSEE, FLORIDA 32399-0850

**-M-E-M-O-R-A-N-D-U-M-**

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**DATE:** February 20, 2025

**TO:** Office of Commission Clerk (Teitzman)

**FROM:** Division of Engineering (Sanchez, Ellis, Ramos) *TB*  
Office of the General Counsel (Augsburger, Imig) *ACH*

**RE:** Docket No. 20240166-EG – Petition for approval of 2025 demand-side management plan, by Orlando Utilities Commission.

**AGENDA:** 03/04/25 – Regular Agenda – Proposed Agency Action – Interested Persons May Participate

**COMMISSIONERS ASSIGNED:** All Commissioners

**PREHEARING OFFICER:** Clark

**CRITICAL DATES:** None

**SPECIAL INSTRUCTIONS:** Staff recommends the Commission simultaneously consider Docket Nos. 20240163-EG, 20240166-EG, 20240167-EG, 20240169-EG, and 20240170-EG.

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### Case Background

Sections 366.80 through 366.83, and 403.519, Florida Statutes (F.S.), known collectively as the Florida Energy Efficiency and Conservation Act (FEECA), requires the Florida Public Service Commission (Commission) to adopt conservation goals to increase the efficiency of energy consumption. FEECA emphasizes reducing the growth rates of weather-sensitive peak demand, reducing and controlling the growth rates of electricity consumption, reducing the consumption of expensive resources such as petroleum fuels, and encouraging demand-side renewable energy resources. The Commission most recently established conservation goals for the Orlando Utilities Commission (OUC or Utility) by Order No. PSC-2024-0433-FOF-EG (2024

Goalsetting Order), issued September 20, 2024, in Docket No. 20240017-EG.<sup>1</sup> On September 24, 2024, this order was amended by Order No. PSC-2024-0433A-FOF-EG to correct a scrivener's error.<sup>2</sup> On December 19, 2024, OUC filed a petition requesting approval of its DSM Plan and associated program standards.

The Commission has jurisdiction over this matter pursuant to Sections 366.80 through 366.83 and 403.519, F.S.

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<sup>1</sup> Order No. PSC-2024-0433-FOF-EG, issued September 20, 2024, in Docket No. 20240017-EG, *In re: Commission review of numeric conservation goals (Orlando Utilities Commission)*

<sup>2</sup> Order No. PSC-2024-0433A-FOF-EG, issued September 24, 2024, in Docket No. 20240017-EG, *In re: Commission review of numeric conservation goals (Orlando Utilities Commission)*

## Discussion of Issues

**Issue 1:** Should the Commission approve Orlando Utilities Commission's DSM Plan and program standards?

**Recommendation:** Yes. OUC's DSM Plan is consistent with the proposed programs used to establish its DSM goals and is projected to meet or exceed the numeric conservation goals approved by the Commission in the 2024 Goalsetting Order. Staff has reviewed OUC's program participation and administrative standards and they appear to be consistent with OUC's DSM Plan. Therefore, staff recommends that OUC's DSM plan and program standards be approved. OUC's local governing body will make its own determination as to whether expenditures are reasonable and prudent. In addition, staff requests that OUC notify the Commission prior to modifying its DSM Plan or program standards. (Sanchez)

**Staff Analysis:** Section 366.82(7), F.S., requires that following the adoption of the annual conservation goals, the Commission shall also require each utility subject to FEECA to develop a demand-side management (DSM) plan to meet the conservation goals. Rule 25-17.0021(4), Florida Administrative Code (F.A.C.), requires each electric utility subject to FEECA to file its DSM plan, which consist of one or more DSM programs, and program participation standards for Commission approval. The Commission has considered the appropriateness of DSM programs by evaluating the following criteria, first outlined in Order No. 22176: 1) whether the program advances the policy objectives of FEECA and its implementing rules (such as reducing demand and energy usage); 2) whether the program is directly monitorable and yields measurable results; and 3) whether the program is cost-effective.<sup>3</sup> Pursuant to 366.82(7), F.S., the Commission may then elect to approve, modify, or deny the utility's DSM Plan.

### OUC's Proposed DSM Plan

Staff has reviewed OUC's DSM Plan, including its demand and energy savings, cost-effectiveness, and rate impact. Overall, the programs within the proposed DSM Plan are consistent with the proposed DSM programs evaluated by the Commission in the 2024 DSM Goalsetting proceeding. A complete list of the programs and a brief description of each can be found in Attachment A. OUC also submitted its program participation and administrative standards, which can be found in Attachment B, and they appear consistent with OUC's DSM Plan.

OUC's DSM Plan consists of a total of six programs: three residential and three commercial/industrial. The programs proposed include the same measures as offered previously by OUC, but have been combined into fewer programs.

The projected program demand and energy savings meet the goals established by the Commission in the 2024 Goalsetting Order, and the programs included in OUC's DSM Plan are directly monitorable and measurable. As required by Rule 25-17.008, F.A.C., OUC provided cost-effectiveness analyses for the programs included in its DSM Plan using the Rate Impact Measure (RIM), the Total Resource Cost (TRC), and the Participants tests. All of the DSM

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<sup>3</sup> Order No. 22176, issued November 14, 1989, in Docket No. 890737-PU, *In re: Implementation of Section 366.80-85, F.S., Conservation Activities of Electric and Natural Gas Utilities*.

programs passed the Participants test, all but three passed the TRC test, and all programs failed the RIM test. Staff notes that the cost-effectiveness of the DSM programs is consistent with what was provided in the 2024 Goalsetting proceeding. Overall, staff recommends that OUC's DSM plan and program standards be approved.

OUC is responsible for continuing to monitor actual participation in its programs, and requesting modifications to its DSM plan and/or program standards as necessary to meet the annual conservation goals. If OUC is unable to meet the annual conservation goals established by the Commission, the Utility may be subject to appropriate action by the Commission. The costs to implement the programs within OUC's DSM Plan would be established by the municipal utility's governing body. Table 1-1 shows an estimate of the monthly rate impact on the typical residential customer over the 2025 through 2034 period.

**Table 1-1**  
**OUC DSM Plan Estimated Monthly Rate Impact**

Year	Residential Customer Rate Impact (\$/1,200 kWh-mo)
2025	0.42
2026	0.44
2027	0.45
2028	0.45
2029	0.46
2030	0.46
2031	0.47
2032	0.47
2033	0.47
2034	0.48

Source: OUC's Response to Staff's First Data Request

## **Conclusion**

OUC's DSM Plan is consistent with the proposed programs used to establish its DSM goals and is projected to meet or exceed the numeric conservation goals approved by the Commission in the 2024 Goalsetting Order. Staff has reviewed OUC's program participation and administrative standards and they appear to be consistent with OUC's DSM Plan. Therefore, staff recommends that OUC's DSM plan and program standards be approved. OUC's local governing body will make its own determination as to whether expenditures are reasonable and prudent. In addition, staff requests that OUC notify the Commission prior to modifying its DSM Plan or program standards.

**Issue 2:** Should this docket be closed?

**Recommendation:** Yes. If no person whose substantial interests are affected by the proposed agency action files a protest within 21 days of the issuance of the Order, this docket should be closed upon the issuance of a Consummating Order.

**Staff Analysis:** If no person whose substantial interests are affected by the proposed agency action files a protest within 21 days of the issuance of the Order, this docket should be closed upon the issuance of a Consummating Order.

## Orlando Utilities Commission Program Descriptions

### RESIDENTIAL PROGRAMS

#### ***Residential Existing Home Rebates Program***

The program is designed to provide rebates and efficiency upgrades to owners of residential homes. This program is available to all customers regardless of housing type as long as applicable rebate criteria are met.

#### ***Residential Efficiency Delivered Program***

Previously known as the ‘Home Energy Fix-up Program’ and the ‘Efficiency Delivered Program’, this program is available to residential customers and provides support for up to \$2,500 of energy and water efficiency upgrades based on the assessed needs of the customer’s home and the customer’s income status. The program is an income-based program, where OUC determines its contribution toward the cost of improvements utilizing three household income tiers:

Household Income	OUC Contribution
Less than \$40,000	85% of total cost, not exceeding \$2,125
\$40,001-\$60,000	50% of total cost, not exceeding \$1,250
Greater than \$60,001	Rebates only

#### ***Residential New Home Rebates Program***

The program provides a flexible “a la carte” program through which a builder or home buyer can select any or all of the measures available through OUC’s Residential DSM Programs. This program structure has evolved from earlier DSM program offerings based on feedback from the residential building community and OUC’s efforts to streamline the marketing and administration of all of its residential DSM programs and measure offerings.

### COMMERCIAL/INDUSTRIAL PROGRAMS

#### ***Commercial/Industrial Prescriptive Rebates Program***

This program is designed to provide rebates and efficiency upgrades to Commercial/Industrial customers. Any combination of offered measures can be taken advantage of through submitting an application or by calling an OUC customer service representative.

#### ***Commercial/Industrial Lighting Rebates Program***

Through a broad suite of lighting measures, OUC will continue providing rebates to support the same efficient lighting measures that have historically been supported through programs included in OUC’s 2020 DSM Plan and earlier offerings. The measures offered are available through OUC’s Commercial/Industrial Prescriptive Rebates Program, Commercial/Industrial Lighting Rebates Program, and Commercial/Industrial Custom Incentive Rebates Program.

***Commercial/Industrial Custom Incentive Rebates Program***

This program is designed to encourage electric demand reductions that go above and beyond the efficiency gains typically achieved in retrofit or replacement projects. Consequently, demand savings credit is based only on reductions that exceed current state and federal minimum efficiency standards, wherever such standards (e.g., Florida's Energy Efficient Building Code Standards) apply. In cases where these standards do not exist, savings credit is based on improvements relative to a customer's electric demand prior to participating in the program.

## **Orlando Utilities Commission Program Standards**

### **RESIDENTIAL PROGRAMS**

#### ***Residential Existing Home Rebates Program***

Customers are eligible to participate in the Residential Existing Home Rebates Program regardless of housing type as long as applicable rebate criteria are met. Customers can initiate participation in this program by scheduling a Home Energy Survey, by calling a customer service representative at OUC, or by submitting an application online to take advantage of any of the measures offered through the Residential Existing Home Rebates Program. As applicable to specific measures, proofs of purchase and/or receipts are required to be attached to the application, and repairs can be performed by a contractor or by the customer. Participation is tracked based on the number of rebates processed; typically, these rebates are credited to the customer's bill, or a check can be processed and sent to the property owner who may have paid for the improvements associated with measures selected by the customer.

#### ***Residential Efficiency Delivered Program***

Residential customers whose account status designation is not delinquent are eligible to participate in the Residential Efficiency Delivered Home Program. To participate in the Residential Efficiency Delivered Program, a customer must request and complete a free Residential Home Energy Survey.

Efficiency Delivered contractor(s) are selected through a Request for Proposal (RFP) procurement process conducted routinely by OUC. Eligible customers are referred to the participating contractor after a completed inspection by the OUC Conservation Specialist. The Efficiency Delivered contractor then visits the home and creates a proposal to install eligible measures outlined in the inspection results. Once the customer accepts the proposal and signs the agreement the contractor calls the customer and schedules the work. Typically, the work is completed within 45 days. Upon OUC's receipt of notice of completion and customer acceptance from the contractor, payment to the contractor is processed and the customer's share of the conservation improvements cost is billed. Participation totals are tracked based on completed installations.

#### ***Residential New Home Rebates Program***

Homebuilders or customers can obtain and install eligible measures. The builder or customer then submits proofs of purchase of the eligible measures, and OUC processes a rebate check and mails it to the builder or customer. Participation is tracked based on the number and type of rebates processed.



## **COMMERCIAL/INDUSTRIAL PROGRAMS**

### ***Commercial/Industrial Prescriptive Rebates Program***

Commercial and Industrial customers in good standing can participate in the Commercial/Industrial Prescriptive Rebates Program. Customers can initiate participation in this program for whatever combination of measures they choose by calling a customer service representative at OUC or by submitting an application online to take advantage of any of the measures offered through the Program. As applicable to specific measures, proofs of purchase and/or receipts are required to be attached to the application, and repairs or installation of qualifying equipment can be performed by a contractor or by the customer. Participation is tracked based on the number of rebates processed; typically, these rebates are credited to the customer's bill, or a check can be processed and sent to the business owner who may have paid for the improvements associated with measures selected by the customer.

### ***Commercial/Industrial Lighting Rebates Program***

Commercial and Industrial customers in good standing can participate in the Commercial/Industrial Lighting Rebates Program. Customers can initiate participation in this program for whatever combination of measures they choose by calling a customer service representative at OUC or by applying online to take advantage of any of the measures offered through the Program. As applicable to specific measures, proofs of purchase and/or receipts are required to be attached to the application, and repairs or installation of qualifying equipment can be performed by a contractor or by the customer. Participation is tracked based on the number of rebates processed; typically, these rebates are credited to the customer's bill, or a check can be processed and sent to the business owner who may have paid for the improvements associated with measures selected by the customer.

### ***Commercial/Industrial Custom Incentive Rebates Program***

Commercial and Industrial customers can participate in the Commercial/Industrial Custom Incentive Rebates Program. Customers can initiate participation in this program for whatever combination of measures they choose by calling a customer service representative at OUC or by submitting an application online to take advantage of any of the measures offered through the Program. As applicable to specific measures, proofs of purchase and/or receipts are required to be attached to the application, and repairs or installation of qualifying equipment can be performed by a contractor or by the customer. Participation is tracked based on the number of rebates processed; typically, these rebates are credited to the customer's bill, or a check can be processed and sent to the business owner who may have paid for the improvements associated with measures selected by the customer.