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-VIA ELECTRONIC FILING-

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

RE: Docket 20250000-OT
Florida Power & Light Company 2024 Demand Side Management Annual Report

Dear Mr. Teitzman:

Enclosed for filing in the above-referenced docket is Florida Power & Light Company's ("FPL") response to the Florida Public Service Commission Staff's First Data Request (Nos. 1-12) pertaining to FPL's 2024 Demand Side Management Annual Report.

If there are any questions regarding this transmittal, please contact me at (561) 304-5662.

Sincerely,

/s/ William P. Cox
William P. Cox
Fla. Bar No. 0093531

Enclosure

cc: Michael C. Barrett, Economic Supervisor, mbarrett@psc.state.fl.us

**Florida Power & Light Company
Docket No. 20250000-OT
2024 FPL DSM Annual Report
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Request No. 1
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QUESTION:

Please describe how Florida Power and Light Company (FPL or Company) monitors current federal energy efficiency standards and Florida Building Code requirements. If applicable, discuss any changes implemented in 2024 compared to the methods used in 2023.

RESPONSE:

FPL has continued methods used in 2023 and prior years to monitor federal energy efficiency standards and Florida Building Code requirements. FPL monitors federal energy efficiency standards through participation in industry organizations, collaboration with peer utilities, and by monitoring websites dedicated to appliance standards (*e.g.*, Office of Energy Efficiency and Renewable Energy, Appliance Standards Awareness Project). FPL stays abreast of proposed Florida Building Code (FBC) requirement changes by monitoring the Florida Building Commission code development.

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QUESTION:

What changes in federal or state standards have occurred in 2025, or are projected to occur before the end of 2025, will (or could) impact the cost effectiveness of FPL's conservation programs? Please explain

RESPONSE:

FPL is not aware of any changes in federal or state standards occurring in 2025 that could impact the cost effectiveness of FPL's conservation programs.

QUESTION:

Page 2 of the Report indicates that program participation in the Residential Home Energy Survey program improved in 2024 (100,179 participants), compared to 2023 (87,050 participants), although FPL's 2024 participation levels are not equal to or exceed the utility's projected number of participants (110,000).

- A. Please state what specific actions, if any, FPL took in 2024 in order to increase participation in the Online channel for offering this program?
- B. Please state what specific actions, if any, FPL took in 2024 in order to increase participation in the In-Home channel for offering this program?
- C. Describe any specific actions that are planned or underway in 2025 to meet or exceed projected.

RESPONSE:

- A. In 2024, FPL executed a robust marketing strategy to reach customers in additional ways. Transitioning from the historically focused TV advertising summer campaign to a year-round, multi-faceted approach, the new approach intended to create more opportunities to reach a broader audience. These efforts included interviews on local TV stations, phone banks with FPL Residential energy experts to answer questions about energy usage, and various community events. Additionally, FPL enhanced the House of Savings online tool by introducing an educational game to encourage more customer engagement with ways to save energy, including the placement of links to FPL's Energy Manager. FPL also increased placement and promotional activities including leveraging email campaigns, digital and social media channels, the FPL website, billing messages, collateral, and e-newsletters.
- B. In addition to the measures discussed in response to question 3.A., the growth in participation in the in-home energy survey can also be attributed to greater participation in the Low-Income Weatherization program through FPL's Community Energy Saver outreach, which incorporates conducting an in-home survey as part of the service.
- C. FPL plans to continue building on the successful marketing strategy discussed in the response to question 3.A., which includes the following promotional tactics: email campaigns, digital and social media channels, FPL website, events, media segments, TV and radio, community events, billing messages, collateral, and e-newsletters.

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QUESTION:

Page 3 of the Report indicates that program participation in the Residential Load Management (On Call) program improved in 2024 (5,163 participants) compared to 2023 (3,406 participants), although still not equal to or exceeding the utility's projected quantity (8,500).

- A. Please state what specific actions, if any, FPL took in 2024 in order to increase participation in this program compared to 2023?
- B. What marketing tools and techniques were used in 2024 to promote this program?
- C. Describe any specific marketing-related changes that are planned or underway in 2025 to meet or exceed projected participation quantities for this program.

RESPONSE:

- A. In late 2023, FPL initiated a modified approach to the promotion of individual DSM programs throughout the year, with the objective of increasing customer participation. In 2024, FPL invested in more placements in the marketing channels used in 2023. These included leveraging email and promotional campaigns, digital and social media channels, events, media segments, billing messages, the FPL website, collateral, and e-newsletters, along with ongoing customer interactions throughout the year. Additionally, the self-scheduler tool, launched in 2023, continued to increase ease in scheduling appointments for program enrollment in 2024. FPL also specifically targeted multi-unit properties, enrolling multiple customers at once, to increase enrollments among those customers.
- B. See response to question 4.A.
- C. In 2025, FPL plans to continue the successful promotional activities from 2024 and outreach to multi-family properties in order to meet participation targets.

QUESTION:

Page 4 of the Report indicates that program participation in the Residential Air Conditioning program improved in 2024 (19,387 participants) compared to 2023 (18,403 participants), although still not equal to or exceeding the utility's projected quantity (29,275).

- A. Please state what specific actions FPL took in 2024 in order to increase participation in this program compared to 2023.
- B. Why does the Company believe it did not meet or exceed its projected enrollment?
- C. Describe any specific marketing-related changes that are planned or underway in 2025 to meet or exceed projected participation quantities for this program.

RESPONSE:

- A. FPL successfully carried out a comprehensive promotional plan in 2024 to promote the Residential Air Conditioning program through various channels such as customer bills, direct mail, digital and social media, emails, the company website, collateral, events, media segments, and customer advisors. The paid digital advertising allowed for precise, year-round customer targeting. FPL also included information on the federal tax credits for air conditioning and implemented a campaign to increase Participating Independent Contractor (PIC) activity.
- B. The projected number of participants was FPL's best estimate at the time of submitting the 2021 Integrated DSM Plan. FPL also believes the revision of federal energy efficiency standards, along with a change in the nomenclature for HVAC efficiency ratings and generally increased equipment costs, contributed to reduced enrollments. Along with changing the minimum efficiency requirements for HVAC equipment in January 2023, the DOE also implemented the new SEER2 nomenclature for rating HVAC efficiency. This change in SEER nomenclature and the change in minimum efficiency requirements created disruption in enrollments in FPL's program.
- C. In 2025, FPL plans to continue the successful promotional activities from 2024 with more targeted emails and digital advertising. FPL is also executing an action plan to increase Participating Independent Contractor (PIC) participation, which includes outreach and additional training.

QUESTION:

Page 7 of the Report indicates that program participation in the Residential Low Income program improved in 2024 (18,681 participants), compared to 2023 (11,254 participants), and also exceeded the utility's projected quantity for participation (12,300).

- A. Please state what specific actions, if any, FPL took in 2024 in order to increase participation in this program compared to 2023? Address in your response whether any new or additional social service agencies were engaged in offering this program in 2024.
- B. Please show how the Net Benefits were calculated for this program. Please provide an Excel spreadsheet with the formulas intact

RESPONSE:

- A. Building on the successful strategy employed in FPL's Northwest region, FPL expanded the use of our existing fulfillment contractor. Specifically, the contractor added a new team that focused on canvassing and serving other targeted low-income areas within the peninsula region of FPL's service territory. This expanded effort involved educating residents about the program and directly installing program measures within their homes, thus broadening our outreach and increasing program accessibility for low-income customers.

FPL also coordinated additional community events in collaboration with other low-income assistance agencies. These events served as a platform where customers could enroll in various program offerings, including Energy Surveys and the Community Energy Saver program. The events were strategically designed to reach a larger audience of low-income customers providing them with comprehensive support and information about the available energy-saving programs.

FPL did not enroll any new Weatherization Assistance Program (WAP) agencies in 2024 but worked closely with our currently enrolled WAP agencies to amplify our efforts and ensure that more low-income customers could benefit from the program.

- B. Please see Attachment No. 1 to this response.

Notes	
RIM Net Benefits (\$000)*	\$ (40,167) RIM Net Benefits from the 2021 Integrated DSM Plan Low Income Program cost effectiveness evaluation
2024 Installs % of 2021 Integrated DSM Plan Total Participation	57.4% 2024 Low Income Program participation as a percentage of the originally forecasted total Low Income Program participation in the 2021 Integrated DSM Plan for years 2022-2024
2024 Installs Share of Net Benefits (\$000)	\$ (23,053) Total Net Benefits * Share of 2024 Installs (C3*C4)
Applicable Discount Rate*	7.52% Discount rate utilized in the 2021 Integrated DSM Plan Cost Effectiveness evaluation
Program Life	9 Low Income Program Life
2024 Participant Net Benefits (\$000)	\$ (3,617) Net Benefits attributed to 2024 Low Income Program participants discounted over the program life

* Per 2021 Integrated DSM Plan Cost Effectiveness Runs

QUESTION:

Page 8 of the Report indicates that program participation in the Business Energy Evaluation program in 2024 (4,894 participants) was below the utility's projected enrollment for this program (12,300 participants).

- A. What are the principle reason(s) for the reported shortfall?
- B. Describe any specific marketing-related or other actions planned or underway in 2025 to meet or exceed projected participation quantities for this program.

RESPONSE:

- A. The projected number of enrollments for 2024 in the Business Energy Evaluation program was based on a forecast and represented FPL's best estimates at that time. While FPL actively promotes participation in its Survey programs, deviations from initial targets are expected due to the voluntary nature of these programs and changing customer priorities over time.
- B. For 2025, FPL plans to enhance our digital campaign with broader placements across digital and social media channels, the company website, e-newsletters, bill messages, emails, industry publications, and customer advisor messaging. Additionally, FPL will update our website to improve the customer experience and encourage participation. FPL plans to execute these strategies to increase awareness of the offering, but participation in the Business Energy Survey program is ultimately driven by customer request.

QUESTION:

Page 12 of the Report indicates that program participation in the Business Lighting program in 2024 (3,081 participants) did not meet or exceed the utility's projected enrollment for this program (5,085 participants).

- A. What are the principle reason(s) for the reported shortfall?
- B. Describe any specific actions planned or underway in 2025 to meet or exceed projected participation quantities for this program

RESPONSE:

- A. It should be noted that participation in all FPL business programs (excluding surveys) is measured in summer kilowatt (SkW) savings, not individual customer participants.

The 2024 projected participation for Business Lighting was developed in 2021 as part of FPL's 2022-2024 DSM Plan, based on the 2019 Market Potential Study of FPL's Service Territory. In 2021, FPL projected increasing participation in the program from 2022-2024, based on anticipated market conditions and FPL's best estimates at the time. However, actual participation growth has been lower than expected since the approval of FPL's 2022-2024 Integrated DSM Plan.

A similar declining trend was identified in the most recent technical potential study used for FPL's 2024 DSM Goals docket, which showed a 35% decrease in the Commercial/Industrial Summer MW technical potential for business lighting compared to the 2019 study. The actual participation for 2024 was 39% below the projected figure for 2024, reflecting the updated market conditions outlined in the latest market potential study. This reduced market potential has been taken into account in the 2025 DSM Plan participation projections for the program.

- B. In FPL's proposed 2025 DSM Plan, FPL has proposed updating and simplifying the rebate and application process for customers in the Business Lighting program, including updated and simplified incentives from a rebate amount per summer kW saved to a per fixture rebate amount and simplifying the application process by removing pre-qualification requirements.

As discussed in the response to question 8.A, FPL has also adjusted the projected participation in the 2025 DSM Plan to account for the step change decline in market potential identified in the most recent market potential study.

QUESTION:

Page 9 of the Report indicates that since 2022, program participation in the Business On Call program has exceeded projected enrollment numbers in each of those years (2022, 2023, and 2024). However, similar results have not been observed in the On Call program offered to the residential customer class (see the Report, at page 3, which indicates that program enrollments did not meet or exceed the projection quantities for that program for each of the years 2020-2024).

- A. Please explain the reasons for the enrollment exceeding FPL's projection for "On Call" program in the business customer class.
- B. Please explain the reasons for enrollment not meeting or exceeding FPL's projection for the "On Call" program in the residential customer class.

RESPONSE:

- A. For the Business On Call program, FPL implemented targeted email campaigns directed at Small/Medium Business (SMB) customers throughout the year to increase enrollments. Additionally, FPL provided extra training to our customer advisors to better identify qualified opportunities for program enrollment. These efforts collectively contributed to the program's enrollment exceeding FPL's projections.
- B. The projected 2024 participation for Residential On Call was developed in 2021 as part of FPL's 2022-2024 DSM Plan. Although actual program enrollments for 2024 did not achieve this projection, participation increased to its' highest level in the past five years in 2024. As discussed in response to question 4.A., these efforts resulted in an increase of 52% over the prior year.

QUESTION:

Page 10 of the report indicates that 5,776,784 customers (column c) are eligible to enroll in the Commercial/Industrial Demand Reduction program. The number of customers shown as eligible for this program appears to be all FPL customers. Please explain how all customers are eligible for FPL's Commercial/Industrial Demand Reduction Program given it was closed to new participants as of December 31, 2000 and it is further limited to loads of 200 kW or greater. If this is in error, please revise.

RESPONSE:

The Commercial/Industrial Demand Reduction Program (CDR) is a currently operating DSM Program available for new participants. The Commercial/Industrial Load Control Program (CILC) was closed to new participants as of December 31, 2000. The eligible customer projections for the CDR program were developed in 2021 for inclusion in the 2021 Integrated DSM Plan and represent the amount of Summer kW projected to be eligible for participation in the CDR program in 2024. There was no error in the eligible customer projection for the CDR program.

QUESTION:

Page 11 of the Report indicates that program participation in the Business Heating, Ventilating, and Air Conditioning program improved in 2024 (12,693 participants), compared to 2023 (4,800 participants), resulting in the utility exceeding its projection for participation (12,200).

- A. Please state what specific actions, if any, FPL took in 2024 in order to increase participation in this program compared to 2023?
- B. Please explain how FPL determined that 2,096,178 customers (column c) are eligible to participate in this program.
- C. Please explain why the Company believes the actual number of program enrollments (column f) is significantly lower than the number of customers that are eligible (column c).

RESPONSE:

- A. It should be noted that program participation in all FPL business programs (excluding surveys) is measured in summer kilowatt (SkW) savings, not individual participants.

In 2024, FPL increased marketing and promotion through digital and social media, the company website, e-newsletters, bill messages, emails, industry publications, and increased messaging by customer advisors. Program managers and program specialists promoted the program through American Society of Heating, Refrigerating and Air Conditioning Engineers (ASHRAE) association meetings and the Air Conditioning, Heating, and Refrigeration (AHR) Expo held annually. In addition, the program was promoted through consulting firms, general and mechanical contractors, and by scheduling meetings and site visits.

- B. The eligible customer projections represent the amount of Summer kW projected to be eligible for participation in the Business HVAC program. The process for developing the eligible customer projection (Summer kW) started with the FPL Summer kW technical potential for Commercial/Industrial HVAC from the 2019 Market Potential Study of Demand-Side Management in FPL's Service Territory for year 2020. The FPL 2020 Technical Potential for Commercial/Industrial HVAC (Summer kW) was then adjusted for forecasted customer growth in the years 2021 through 2024 and for the removal of forecasted Business HVAC program participation. These FPL annual totals were then combined with the forecasted former Gulf Power total Business (Summer kW) and adjusted for the removal of forecasted Business HVAC program participation in the FPL Northwest region.

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- C. The "Eligible Customer Forecast" (column C) represents the projected amount of Summer kW available in the market that is theoretically eligible to participate in the program. However, this does not mean that all eligible participants will choose to participate in a utility-sponsored DSM program. Program enrollment projections for 2024 (12,200) were based on what FPL projected could be achieved in the market, given the Business HVAC program's design and available incentives. The actual results for 2024 (12,693), although significantly lower than the number of eligible participants, was slightly higher than the amount originally projected to be achievable in the market.

QUESTION:

In 2024, what was FPL's System Average Line Loss percentage?

RESPONSE:

Summer Line Loss Factor	5.58%
Winter Line Loss Factor	5.58%
Energy Line Loss Factor	4.38%