

# Florida Public Service Commission

*Presentation to Florida Energy and Climate Commission on*  
Florida Energy Efficiency and Conservation Act  
(FEECA)

June 17, 2009

# Florida Energy Efficiency and Conservation Act (FEECA)

Sections 366.80 - 366.82, Florida Statutes

## Background

- First enacted in 1980.
- Currently applies to FPL, PEF, Gulf, TECO, FPUC, JEA, and Orlando (86% of statewide energy sales).
- PSC must adopt goals; utilities must develop measures, plans, and programs.
- Emphasis on goals to conserve expensive fuels, reduce and control the growth rates of electric consumption, reduce the growth rates of weather-sensitive peak demand, and encourage development of demand-side renewable energy resources.
- FPSC rules require numeric goals for each FEECA utility:
  - Annual winter demand, summer demand, and energy reduction goals.
- After goals are approved, utility plans and programs are submitted for PSC approval.
- Cost recovery and ongoing cost-effectiveness review in Energy Conservation Cost Recovery (ECCR) Clause.

# 2008 Legislative Amendments to FEECA

## Goal Setting

- PSC to consider the full technical potential of all demand-side and supply-side conservation and efficiency measures, including demand-side renewable energy systems.
- PSC may allow efficiency investments across generation, transmission, and distribution as well as efficiencies within the user base.
- In establishing goals, PSC must consider:
  - Costs and benefits to participating customers;
  - Costs and benefits to general body of ratepayers, including utility incentives and participant contributions;
  - The need for incentives to promote energy efficiency and renewable energy systems; and
  - Costs imposed by state and federal regulations on the emission of greenhouse gases.

# 2008 Legislative Amendments to FEECA

## Rewards/Penalties

- Commission may authorize financial rewards and penalties for investor-owned utilities' goal achievements.
- Rewards/penalties may include sharing of cost savings associated with conservation, energy efficiency, and demand-side renewable energy system additions.
- PSC may authorize up to 50 additional basis points to an IOU's return on equity for exceeding 20% of annual load growth through energy efficiency and conservation measures.

# Overall FEECA Goals Process

## FPSC

- FEECA utilities have contracted with ITRON and KEMA to conduct a technical potential study.
  - Study completed April 6, 2009 and can be downloaded at:  
<http://www.psc.state.fl.us/library/filings/09/03144-09/03144-09.pdf>
- The technical potential study will be followed by economic and achievable screening analyses.
  - May be performed by individual utilities or by KEMA/ITRON.
- FEECA utilities will file their proposed goals in testimony on June 1, 2009.
- FEECA Goals hearing is scheduled for August 10-14, 2009.
- PSC to vote on goals around October, 2009.

## Overall FEECA Goals Process

### Florida Energy and Climate Commission

- Per Section 366.82(5), F.S., the Florida Energy and Climate Commission shall be a party to the goal setting proceedings and shall file comments on the proposed goals, including:
  - An evaluation of utility load forecasts, including assessment of supply-side and demand-side options;
  - An analysis of various least-cost policy options, including assessment of nonutility programs targeted at reducing and controlling per capita electricity use; and
  - An analysis of impact of state and local building codes and appliance efficiency measures on the need for utility sponsored programs.

# Overall FEECA Goals Process

## Florida Energy and Climate Commission

- Information regarding utility load forecasts, supply-side and demand side options can be obtained from FPSC's annual Review of Ten-Year Site Plans and FEECA Reports.
- Assessment of non-utility programs could include a discussion of Florida's solar rebate program as well as suggested consumer education or low-income programs.
- Assessment of building codes and appliance efficiency standards should address existing codes and standards as well as proposed changes along with the costs and benefits.

# Overall FEECA Goals Process

## Florida Energy and Climate Commission

- Per 366.82(5), F.S., the Florida Energy and Climate Commission is a formal party to the FPSC's goal setting proceeding.
- The FPSC conducts a formal hearing process, pursuant to Section 120.57, F.S.
  - Parties file prehearing positions, pre-file written testimony, and file post-hearing briefs.
  - The FPSC votes on each issue, based on the evidence contained in the record, that is identified in a prehearing Order.

# Overall FEECA Goals Process

## Florida Energy and Climate Commission

- Prehearing statements are not part of the record, but provide the FPSC with a glimpse of a party's position on specific issues that have been identified.
- Pre-filed written testimony is moved into the record at the hearing. A party can also enter its position into the record by cross examination of other witnesses to the proceeding. A witness may be excused from the hearing if all parties stipulate to the admission of the testimony and waive the right to cross-examine the witness.
- Post-hearing briefs are not part of the record but provide the opportunity for each party to summarize and support their position based on evidence contained in the record.