

Dialogue on Demand Response
NARUC Annual Convention
FLORIDA UPDATE

History in Florida

- Florida Energy Efficiency and Conservation Act (FEECA), which was enacted in 1980. FEECA places emphasis on reducing the growth rates of weather-sensitive peak demand, reducing and controlling the growth rates of electricity consumption, and reducing the consumption of expensive resources such as petroleum fuels.
- Florida is a leader in demand response

Commission Activity

- The Commission establishes conservation goals, DSM goals were most recently established for the seven utilities subject to FEECA on August 9, 2004, although utilities have updated these goals and added new programs.
- The Florida Commission has adopted rules requiring those electric utilities which are subject to FEECA to implement cost-effective demand-side management , demand response programs.
- Florida's electric utilities must provide evidence to the Commission that all cost-effective conservation and DSM opportunities have been exhausted in order to obtain a need determination order for new electric generating capacity.
- Cost Recovery
 - Investor-owned utilities must show that each program is cost-effective, such that all ratepayers benefit, not just those ratepayers participating in the programs
 - Compared against the building of new generation (RIM test)
 - As utility plans include more high capital cost solid fuel generation options, the cost-effectiveness of DSM programs should increase
 - Billions of dollars have been spent

Energy Use, Energy Saved

- Florida's peak electric demand in 2004 reached 44,957 megawatts (MW) in the summer and 43,932 MW in the winter months, increasing an average 2.2 percent per year over the past decade due primarily to high population growth.
- During the last 10 years, Florida's electric utilities have added an average of approximately 900 MW of new generating capacity per year. Based on the latest planning documents, Florida is expected to add an average of 1,500 MW of new capacity per year for the next 10 years.
- As a whole, utility-sponsored DSM programs have reduced statewide summer peak demand by an estimated 4,951 MW, winter peak demand by 5,563 MW, and energy consumption by an estimated 5,488 GWh since 1980.
- February 2006 Projection for 2014, Summer 5,511 and Winter 6,068
 - FPL has updated programs increasing MW saving by over 500 MW.
 - Progress Energy Fl has updated programs waiting for Commission approval to update the goals by 120MW by 2014

- Based on the winter demand reduction, this has deferred the need for eleven typical 500 MW plants, or enough capacity to serve approximately 1.6 million households.
- Load management is an important part of the utilities' energy conservation plans. Currently, Florida is a leader in load management with over 2700 MW in summer peak and over 3500 MW in winter peak

Programs

- A variety of specific conservation programs are offered by the utilities.
 - ceiling insulation upgrade,
 - residential energy management,
 - window film and duct leak testing programs
 - utility paying a financial incentive to the customer for installing qualified energy-efficient measures
 - Programs are also offered in which cash incentives are paid by the utility to encourage the purchase of energy-efficient equipment for new installations or retrofit,
 - Several utilities offer incentives to commercial and industrial customers to support their investment in capital equipment with the potential for substantial demand and energy savings.
- Important part of a utility's conservation activities that customers do not readily observe is research and development.
- Advanced Metering, several companies have rolled out advanced metering in order to capture certain efficiencies, now we just have to use these same meters for demand response programs.

Company Specific

- Programs, just to name a few
 - Real Time pricing
 - Gulf Power, sends price signals to certain residential customers
 - Gulf Power real time pricing for large commercial clients
 - TECO, pilot program, residential price-response
 - Incentive based programs (summarized above)

We Plan on doing MORE

- With the help of the utilities we plan on looking at demand response with a fresh set of eyes and look outside of the box
- Get all interested parties involved and see where and what else can be done, via a workshop and other discussions
- We are excited and there will be more to follow in the near future.