BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re:	Petition for approval of demand-side management plan, by Tampa Electric Company	)	DOCKET NO. 20200053-EG
In re:	Petition for approval of proposed demand-side management plan, by Duke Energy Florida, Inc.	)	DOCKET NO. 20200054-EG
In re:	Petition for approval of proposed demand-side management plan, by Gulf Power Company	)	DOCKET NO. 20200055-EG
In re:	Petition for approval of demand-side Management plan and request to Modify residential and business on Call tariff sheets, by Florida Power & Light Co.	)	DOCKET NO. 20200056-EG

COMMENTS BY LEAGUE OF UNITED LATIN AMERICAN CITIZENS SOUTHERN ALLIANCE FOR CLEAN ENERGY, AND ENVIRONMENTAL CONFEDERATION OF SOUTHWEST FLORIDA

It is well established that energy efficiency is the cheapest, quickest and cleanest way to meet electricity demand. The economic benefits of energy efficiency programs not only accrue system-wide through savings, such as reduced fuel, but also to individual families through cutting energy waste and driving down power bills. There are many hard-working Florida families that pay a disproportionately higher share of their income on power bills; referred to as energy burden. No family should have to make the choice between paying a power bill or paying for essential items like food or medicine. The economic fallout from the COVID-19 pandemic has only exacerbated the energy burden on low-income customers. Energy efficiency programs, particularly low-income programs, are an important tool in reducing energy burden. The Commission has explicitly expressed its desire that Florida utilities address the needs of

low-income customers in the development of programs. The staff recommendation would substantially cut many of these low-income programs as proposed by the utilities, and even implies that the Commission should consider ending low-income programs for TECO's customers. Given the current crisis, ending these critical lifelines for low-income communities could not come at a worse time. Staff's recommendation also makes no sense – just because the 10-year goals set in 2014 have been continued does not mean that programs must be frozen in place. Technologies change. Customer needs change. The needs of low-income communities change. The staff's recommendation has no basis in law or logic and should be rejected by the Commission.

The low-income programs filed by the investor-owned utilities ("IOUs") in the above dockets, even though improved from the programs proposed five years ago and thus much improved over the staff recommendation, still leave much room for improvement, both in their scope and depth. An analysis of the programs makes clear, that while programs proposed by Duke Energy Florida, Inc. ("Duke") and Tampa Electric Company ("TECO") can both be improved in either the scope of their reach to eligible customers, or the depth of the savings they deliver, both are significantly more robust than FPL's weak low-income program. No matter which metric is used, FPL stands out for its low overall proposed energy savings and the small size of its proposed low-income program.

BACKGROUND

The Florida League of United Latin American Citizens ("LULAC") is part of the largest and oldest Hispanic civil rights organization in the United States, which advances the economic condition, educational attainment, political influence, housing, health, and civil rights of Hispanic Americans through community-based programs operating through local councils across

the nation. The mission of LULAC, as stated on their website, is to "advance the economic condition, educational attainment, political influence, housing, health and civil rights of the Hispanic population of the United States." To meet these goals, LULAC has an elevated interest in evaluating energy efficiency and conservation measures that will affect the economic interests of its members. These sorts of measures can greatly reduce costs related to fuel consumption and energy generation, costs that increase the energy burden of the utilities' customers and are found to be disproportionately high in Hispanic communities. Reducing these costs reduces the high energy burdens on the Hispanic community, implicating LULAC's interest in the economic condition of its members the Hispanic population of Florida.

Southern Alliance for Clean Energy ("SACE") is a non-profit clean energy corporation organized under the laws of the state of Tennessee and authorized to conduct operations in the State of Florida. The mission of SACE, as reflected in its bylaws, is to advocate for energy plans, policies, and systems that best serve the environmental, public health, and economic interest of communities in the Southeast, including Florida. As part of that mission, SACE places a priority on evaluating all opportunities for displacing non-renewable electricity generation with lower cost end-use energy efficiency measures. These measures directly and cost-effectively reduce the amount of fossil fuels consumed by existing non-renewable energy generation facilities and displace the need for new power plants, thereby reducing the overall electric system costs for customers who ultimately bear the costs of fuel, new power plants and added infrastructure. Decreased fuel consumption also reduces the overall negative impacts to public health and the environment, as well as the economic costs associated with greenhouse gases emissions from non-renewable energy generation.

The Environmental Confederation of Southwest Florida ("ECOSWF") has over 100 members consisting of business entities, other organizations, and individuals living in southwest Florida that primarily reside in FPL's service territory. ECOSWF was organized for the purpose of conserving the natural resources of Southwest Florida, implement energy efficiency improvements and alternatives, and to engage in actions in the furtherance of energy conservation and alternative energy source development.

In order to advance these interests, the Commission granted SACE's and LULAC's petition to intervene in the most recent goal-setting proceeding for the investor-owned utilities ("IOUs"). Order Granting Intervention, *In re: Commission review of numeric conservation goals*, Docket Nos. 20190015-EG; 20190016-EG; 20190018-EG; 20190021-EG (hereinafter "IOU goal-setting dockets"), Order No. PSC-2019-0137-PCO-EG (Fla. P.S.C. April 17, 2019) (order granting SACE intervention); Order No. PSC-2019-0293-PCO-EG (Fla. P.S.C. July 25, 2019) (order granting LULAC intervention). The IOUs' demand-side management plans, at issue in these dockets, are a direct result of that goal-setting process and includes the IOUs' plans for reaching and implementing those goals.

Although all of the IOUs profess the desire to protect their low-income customers, when examining historical performance and the program plans submitted in this docket, large disparities in performance between the IOUs are readily apparent. Duke and TECO, although both showing room for improvement, which will be discussed below, consistently lead in the state in terms of helping their low-income customers and helping their overall customer-base, too. Unfortunately, the state's largest utility, FPL, consistently fails its low-income customers and also lags far behind the rest of the state when it comes to energy efficiency and energy conservation. FPL's demand-side management program plan submitted here for the

Commission's consideration accomplishes the bare-minimum for meeting the goals set by the Commission, almost down to the exact kWh. For example, in 2022, its residential energy savings goal is 26.5 GWh. FPL's plan is to save 26.500449 GWh, exactly 0.000449 GWh (or 449 kWh) over the goal—put another way, less than half a months' worth of electricity for a typical residential home.[1] This plan to achieve the bare minimum makes FPL stand out even in a state that consistently ranks near the bottom nationally when it comes to energy savings for customers through utility-sponsored energy efficiency programs. This minimal plan is even more telling given that FPL is so dependent on gas to power its plants, when one of the primary purposes of enacting the Energy Efficiency Act was to ensure that no utility would become so dependent on a single-source of fossil fuels.

I. ROBUST LOW-INCOME PROGRAMS ARE CRITICAL AND SHOULD BE PRIORITIZED.

Florida has millions of hard-working families who need access to utility-sponsored energy efficiency programs—programs that are intended to help customers reduce energy use and save money on electricity bills. These programs are especially important to low-income customers. Many low-income families reside in older homes, which are often poorly insulated, have outdated appliances, and rely on less efficient heating and cooling systems. During times of extreme hot or cold weather, these inefficient homes incur much higher energy bills, which can force painful decisions between leaving the home at unhealthy temperatures, having their electricity service disconnected, or even forgoing food or medicine in order to pay energy costs. Cost-effective efficiency measures not only reduce energy use for customers and help hard

[1] All data sources, unless otherwise noted, are from each IOUs 2020 DSM Annual Report, 2020 TYSP, or Petitions for Approval of DSM plans as submitted in this docket. A full compilation of sources with links is available in the appendix. The data regarding FPL's plan is contained in source 1. Unless otherwise noted, the "IOUs" refers to FPL, Gulf, TECO, and Duke.

working families save money on bills, but also lower overall system costs that the utility would otherwise recover from all customers.

The Energy Efficiency Act specifically calls for increasing the "efficiency of energy consumption," § 366.82(2), Fla. Stat., which plainly means helping customers reduce energy waste and save money on bills. The very idea of energy efficiency is to help customers cut energy waste. Robust programs will grant all customers the opportunity to voluntarily participate in efficiency programs and to decide whether to reduce their own electricity consumption and corresponding utility bills. All the while, savings from these programs will defer additional fossil fuel powered generation, reduce energy waste, and help to mitigate Florida utilities' misguided and dangerous overdependence on gas, which are the aims and objectives of the Energy Efficiency Act. Ultimately, this reluctance to help decrease energy usage will further exacerbate the costs to ratepayers of unpredicted fuel price shocks.

This Commission has in the past rightly emphasized the need to protect low-income communities. These communities face enormous energy burdens. Hearing Transcript Vol. 5 at 989-90, IOU goal-setting dockets (testimony of SACE witness Forest Bradley-Wright). Florida has some of the highest electricity bills in the nation due to our extraordinary energy usage. Exhibit 334, IOU goal-setting dockets. It is no coincidence that Florida has some of the highest energy usage, and thus, some of the highest electricity bills in the nation when our energy efficiency programs and achievements are so small compared to the rest of the country. Exhibit 346, IOU goal-setting dockets. Florida's focus on maintaining low rates has not resulted in low bills, and lack of energy savings are a significant cause. However, what ultimately determines how much low-income customers must pay to their electric utility is not rates, but *bills*. Minimizing bills for low-income customers should be the priority.

a. Staff Recommendation to Require Freezing of Programs is Contrary to this Commission's Order and Would Cut Low-Income Programs at a Critical Time.

At the end of the goal-setting proceedings, this Commission "ORDERED that within 90 days of the issuance of this Order, the FEECA Utilities shall file individual-demand-side management plans designed to meet their approved goals." Final Order Approving Numeric Conservation Goals at 10, IOU goal-setting dockets, Order No. PSC-2019-0509-FOF-EG (Fla. P.S.C. Nov. 26, 2019). Staff's recommendation that the IOUs' petitions for approval of their demand-side management plans be denied is effectively re-litigating the goals proceeding, and cavalierly ignoring 18 months of work to reach this point. It suggests that the IOUs have erred by complying with this order of the Commission, as staff apparently does not believe this exercise ordered by the Commission should have been conducted. The recommendation to continue the IOUs' existing programs as "adequate" isn't supported by an evaluation of how those programs compare to the proposed programs in serving the needs of the utilities' customers. Simply because goals have been continued *does not mean* that programs must be frozen and continued with their current design. The Commission's Order requiring the utilities to submit program plans to meet the goals recognizes this. Staff cites no logical nor legal basis for the adoption of its recommendation.

It should go without saying that over five-years, technology can and does change and the needs of the communities that the utilities serve can and do change. Although we believe that there is room for improvement in all of the low-income programs offered by the IOUs (as detailed in the rest of these comments), almost all of the programs represent substantial improvements over what the IOUs have offered over the last five-years. We agree with the IOUs that improvements should be made to the low-income programs, especially given the current economic and public health crisis, and only disagree with the IOUs on the degree of

improvements to be made. Staff, however, believes that we should be cutting low-income programs at this critical time. For example, Duke, in its proposal in these dockets, plans to reach 5,000 low-income customers per year (with substantially more savings (3,540 kWh at the meter per year per customer)) in its *Neighborhood Energy Saver Program*. Source 4 at 19. In its 2015 plan, Duke planned to reach only 4,500 low-income customers per year in this program from 2020-2024, a cut from the 19,500 customers per year Duke had been planning to reach 2015-2019, with 1,732 kWh savings per customer per year. Duke Energy Florida's Petition for Approval of Proposed Demand Side Management Plan at 22, Docket No. 150083-EG (Fla. P.S.C. Mar. 16, 2015), *available at* http://www.floridapsc.com/library/filings/2015/01466-2015/01466-2015.pdf. In its 2015 plan, FPL only planned to reach 2,000 low-income customers per year in 2020-2024. Petition for Approval of Florida Power & Light Company's Demand-Side Management Plan and Request to Cancel Closed on Call Tariff Sheets at 40, Docket No. 150085-EG (Fla. P.S.C. Mar. 16, 2015), *available at* http://www.floridapsc.com/library/filings/2015/01468-2015/01468-2015.pdf. FPL reached 2,796 low-income customers in 2019, source 2 at 7, and plans to increase the number of low-income customers it reaches with its petition in these dockets to 7,500 customers per year by 2024, source 1 at 31. In its 2015 plan, Gulf planned to reach 2,500 low-income customers per year in 2020-2024. Petition for Approval of Proposed Demand-side Management Plan by Gulf Power Company at 2-11, Docket No. 150086-EG (Fla. P.S.C. Mar. 16, 2015), *available at* http://www.psc.state.fl.us/library/filings/2015/01473-2015/01473-2015.pdf. In recent years, Gulf has reached as many as 3,272 low-income customers per year, source 11 at 2, and Gulf now plans to increase the number of low-income customers it reaches with its petition in these dockets to 3,750 low-income customers per year in 2020-2024, source 10 at 34. Staff's

recommendation, if implemented, would represent significant cuts to low-income programs over not only what FPL, Gulf, and Duke plan to accomplish with the petitions they filed in these dockets, but also what they currently execute under their current plans. Staff offers no rationale for their proposal to curtail low-income programs during the current crisis.

Beyond asking for cuts to the low-income programs planned by Duke, Gulf, and FPL, staff implies that low-income programs for TECO should be eliminated. Staff notes that if TECO's "low-income and education programs . . . were not approved for cost-recovery, TECO's DSM Plan is still projected to meet its approved conservation goals." Staff Recommendation at 7. It seems that the only reason staff would single these programs out and make this observation is to imply that these programs should be cut entirely. LULAC's members in TECO's territory rely on efficiency programs, especially the low-income programs offered by TECO. This Commission must not allow staff's call to eliminate TECO's low-income program stand, especially in the face of the dual public-health and economic crises Florida's families are facing.

Staff's recommendation to freeze programs as they are (and cut low-income programs) for the sake of freezing them as they are does not make sense. Program plans should make sense. Staff's recommendation must be rejected.

b. The Clear Divide Between FPL and the Other IOUs on Scope and Depth of Low-Income Programs.

All of the IOUs in these dockets have recognized the need for low-income customers to be able to access energy efficiency programs.[2] However, while there is room for improvement

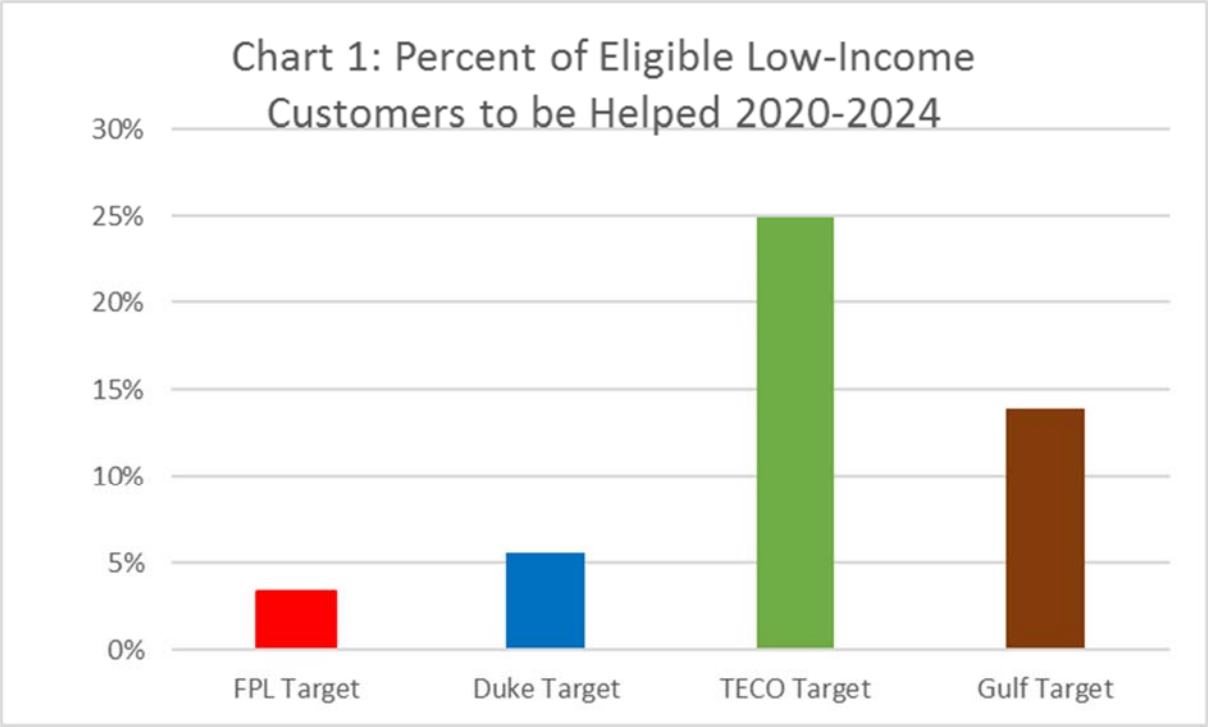
[2] *See* Hearing Transcript Vol. 1 at 84, IOU goal-setting dockets (testimony of Thomas R. Koch, FPL witness) ("FPL believes continuing to provide assistance to this vulnerable group is appropriate and warranted."); Hearing Transcript Vol. 3 at 606, IOU goal-setting dockets (testimony of Lori Cross, Duke witness) ("DEF also plans to continue to support the low income programs"); Hearing Transcript Vol. 7 at 1286, IOU goal-setting dockets (testimony of John N. Floyd, Gulf witness) ("Gulf recognizes and agrees with the Commission's support of DSM

with all of the utilities, some of the utilities are reaching more eligible customers and providing more energy savings than the others. TECO, for example, has historically done and proposes to do much more for low-income customers than the other utilities, such as FPL. While FPL has proposed a small expansion of its small low-income program, it will still help fewer total low-income customers than TECO, despite FPL serving almost seven times the number of customers. Chart 1 presents the percent of eligible low-income customers each utility plans to reach over the next five years.[3] TECO, by far, plans to help the highest number of its eligible low-income customers. This is on top of TECO's previous efforts, which have already helped 28.8% of eligible low-income customers over the past five-year period.[4] All of the IOUs should show the same dedication that TECO shows in reaching their low-income populations, and should strive to help at least five percent of their low-income population every year.

programs designed specifically for low-income customers."); *id.* at 1374 (testimony of Mark R. Roche, TECO witness) ("Tampa Electric does support subsidization for only low-income DSM programs because customers in those programs may not have the financial means to invest in energy efficient technology . . . .").

[3] Source 1 at 31; Source 4 at 19, 22; Source 7 at 101; Source 10 at 34.

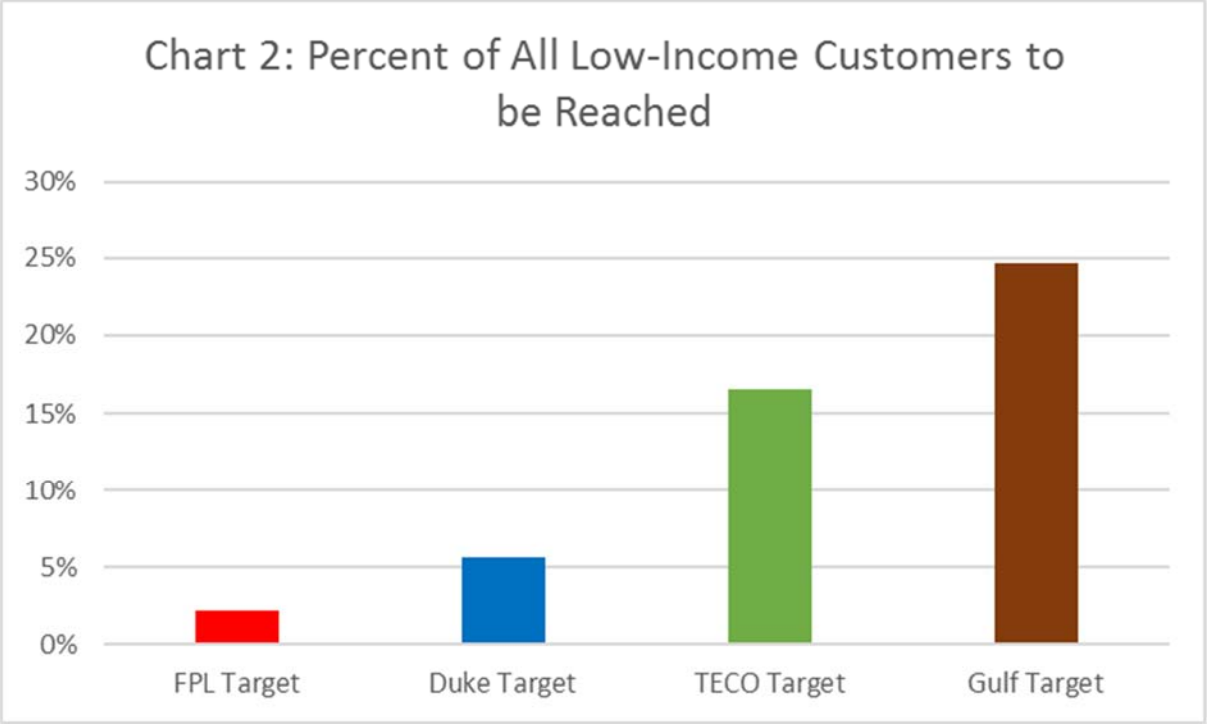
[4] Source 8 at 13.



In contrast, the IOU that plans to reach the smallest percentage of eligible customers in their low-income program is FPL. However, this is not the only way to measure how the IOU programs compare to each other when it comes to their low-income customers; there are other important criteria to consider in evaluating low-income program effectiveness and equity. For example, the eligibility criteria of the IOUs can differ, leading to a difference between "eligible" low-income customers and actual low-income customers in each IOU's service territory. Chart 2 shows the percent of low-income customers each IOU plans to reach based on the number of low-income customers in each IOU's territory as calculated by Forest Bradley-Wright as part of the goal-setting docket.[5] Once again, FPL falls far short of the performance of the other utilities, with plans to reach 2.23% of its low-income customers over the next five-years. Gulf Power

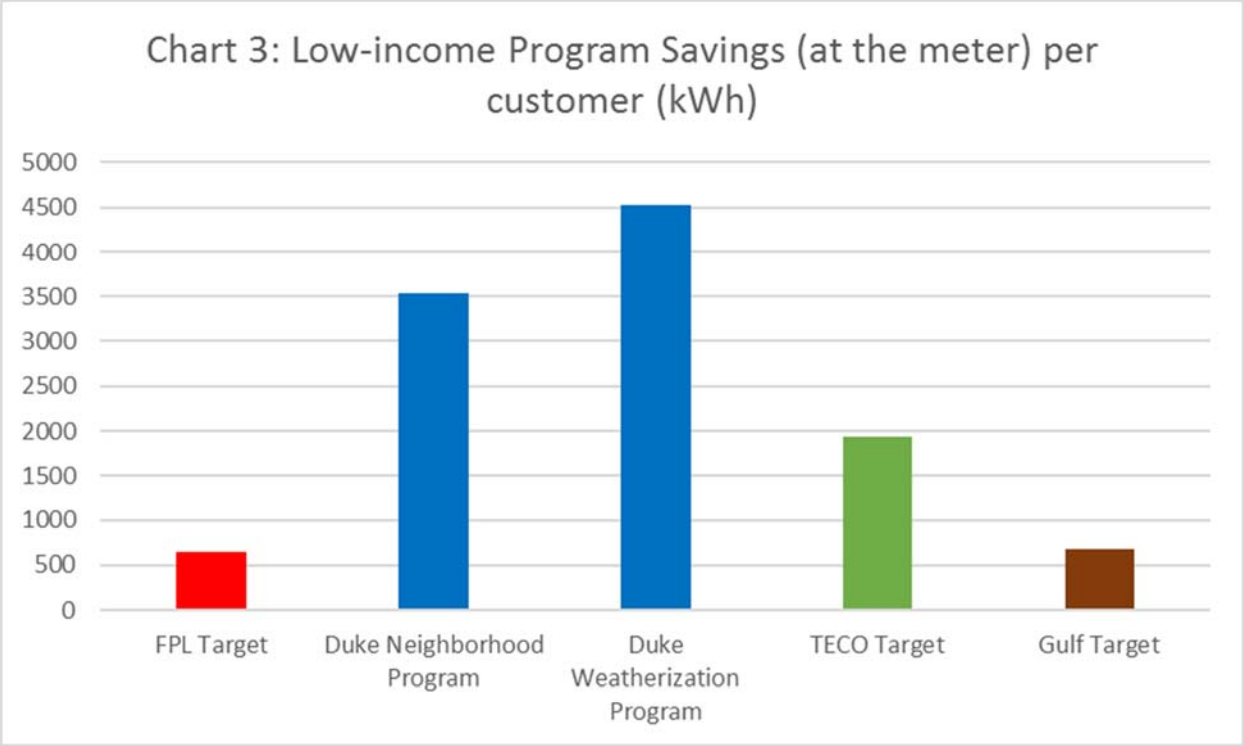
[5] Hearing Transcript Vol. 5 at 990, IOU goal-setting dockets (testimony of SACE witness Forest Bradley-Wright), divided by persons per household as established through the Ten Year Site Plans, Source 3 at 60; Source 6 at 2-4; Source 9 at 32; Source 1 at 31; Source 4 at 19, 22; Source 7 at 101; Source 10 at 34.

("Gulf"), FPL's sister company, plans to do 10 times better and reach almost 25% of the low-income families in its territory.



FPL may not even reach its low projected scope because it has the distinction of being the only utility to cap the aggregate energy savings of its residential programs at the level set in its goals. *See* FPL Response to Staff's First Data Request, Request No. 8, Docket No. 20200056-EG, *available at* http://www.psc.state.fl.us/library/filings/2020/01716-2020/01716-2020.pdf. In other words, should one of FPL's other residential programs exceed FPL's planned participation projections or energy savings, and FPL meets their mandatory residential energy savings goal for the year, FPL will actually end their low-income program for the year and will not allow any new customers to participate until the next year. If FPL exceeds participation targets in *any* of their other residential programs, FPL will decrease the number of low-income customers allowed to participate in FPL's low-income program.

The chart below compares the average savings per customer in each of the IOU's low-income programs (Duke has two low-income programs, and is thus represented twice).[6] Not only does FPL plan to help far fewer low-income customers on a proportional basis, but it also plans to help each customer significantly less than the other IOUs.



In many ways, per customer savings is the most important metric of all. Kilowatt-hour savings will actually determine the amount of bill savings each low-income customer receives. FPL's savings equate to bill savings of about $55 per year.[7] While not insignificant, this pales in comparison to TECO and especially Duke, whose bill savings will equate to about $500 per

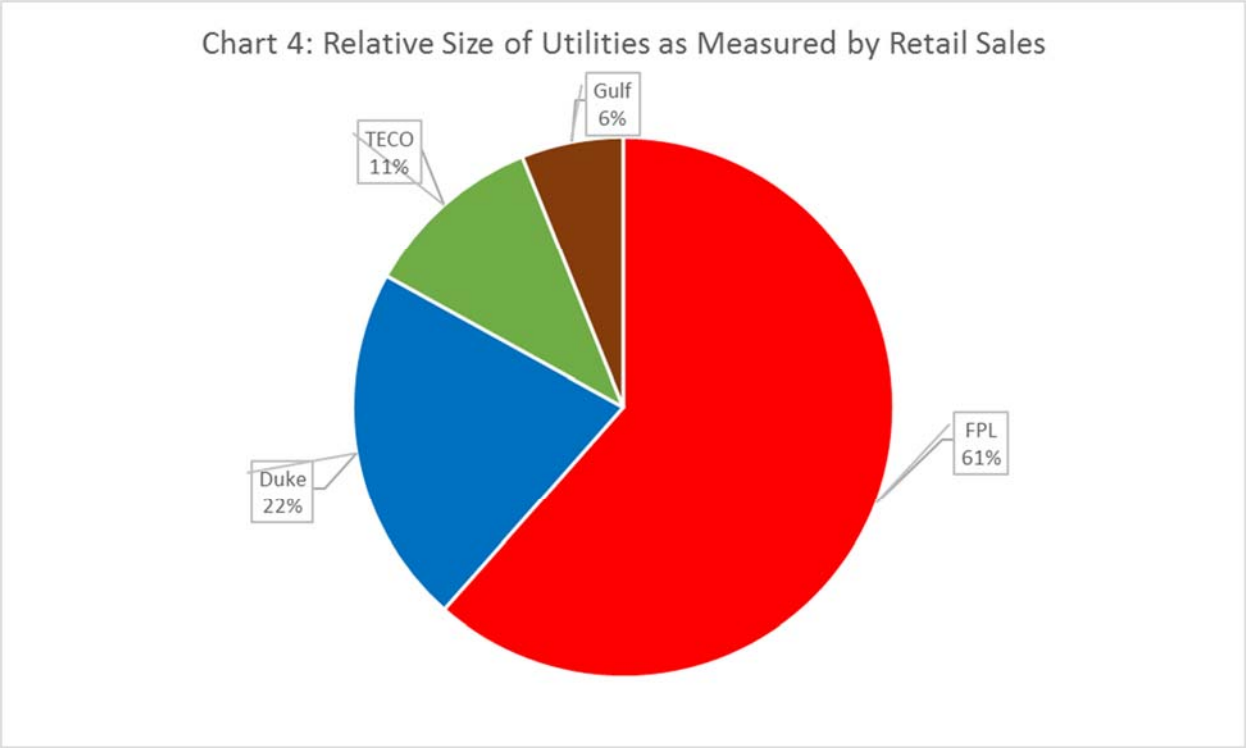
[6] Source 1 at 31; Source 4 at 19, 23; Source 7 at 101; Source 10 at 34.
[7] Current FPL rate is approximately 8.5 cents per kWh. *See* https://www.fpl.com/content/dam/fpl/us/en/rates/pdf/Residential%20(Effective%20June%202020).pdf. FPL projects to save 644 kWh per low-income customer. Source 1 at 31. At current rates, this equates to savings of $55.18 per year.

year.[8] Both TECO and Duke are planning to substantially increase the savings offered to each low-income participant in their programs by offering additional measures beyond what they currently do, although Duke takes the savings to a completely new level with almost twice the savings of TECO. While TECO leads in showing how *many* low-income customers can be reached, Duke leads in showing how *much* each low-income customer can be helped by including so many more measures in their program than do other programs.

A historical analysis shows that FPL's weak performance is not limited to this program approval cycle. Even though FPL is by far the largest utility in the state, serving more customers than all of the other IOUs combined, it serves the lowest number of low-income customers of all the IOUs even in absolute terms over the past five years. Chart 4 compares the utilities by sales to ultimate consumers (keeping in mind that Gulf has now been purchased by FPL's parent corporation, NextEra, and that they have already filed a combined ten-year site plan).[9]

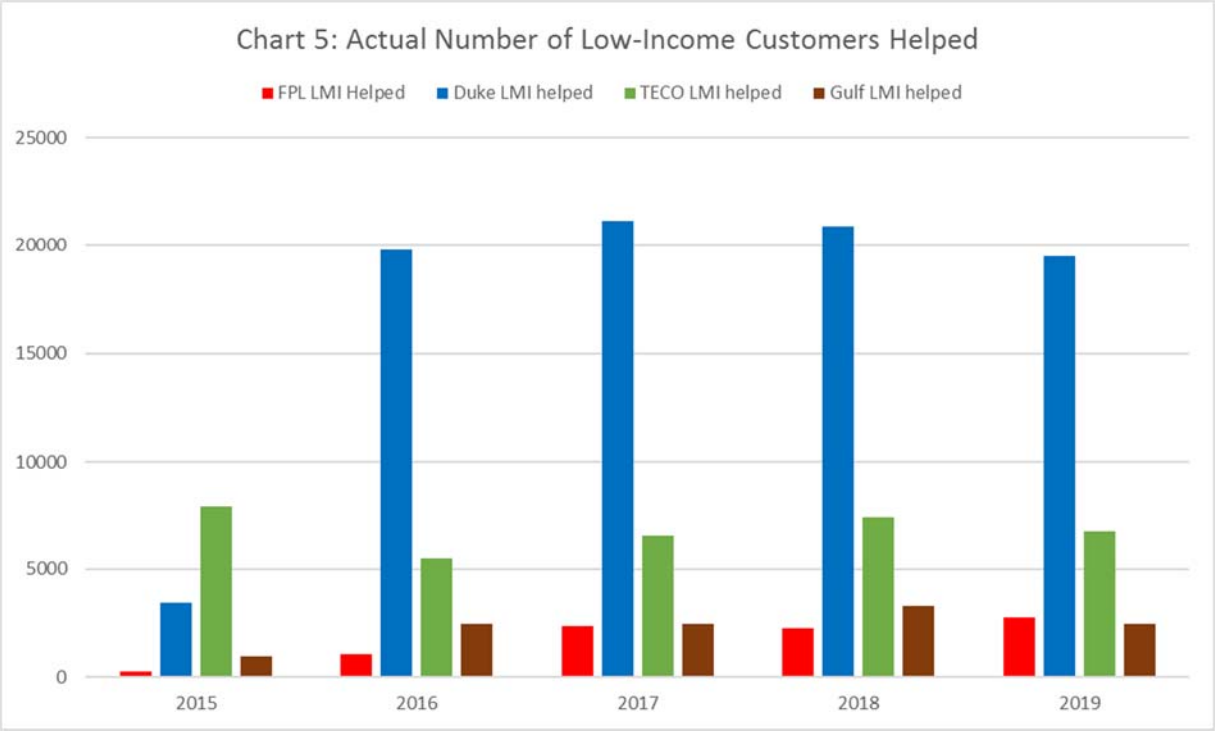
[8] Duke's current residential rate is about 13.7 cents per kWh. *See* https://www.duke-energy.com/_/media/pdfs/rates/peratespefresidentialrateinsert.pdf?la=en. The Duke Weatherization Program will, on average, save low-income customers 4,531 kWh. Source 4 at 23. This equates to average savings of $622.74 per year. For the Duke Neighborhood Program, with average savings of 3,540 kWh per low-income customer, Source 4 at 19, this would equate to savings of $486.54 per year.

[9] Source 3 at 71, Source 6 at 2-7, Source 9 at 35.

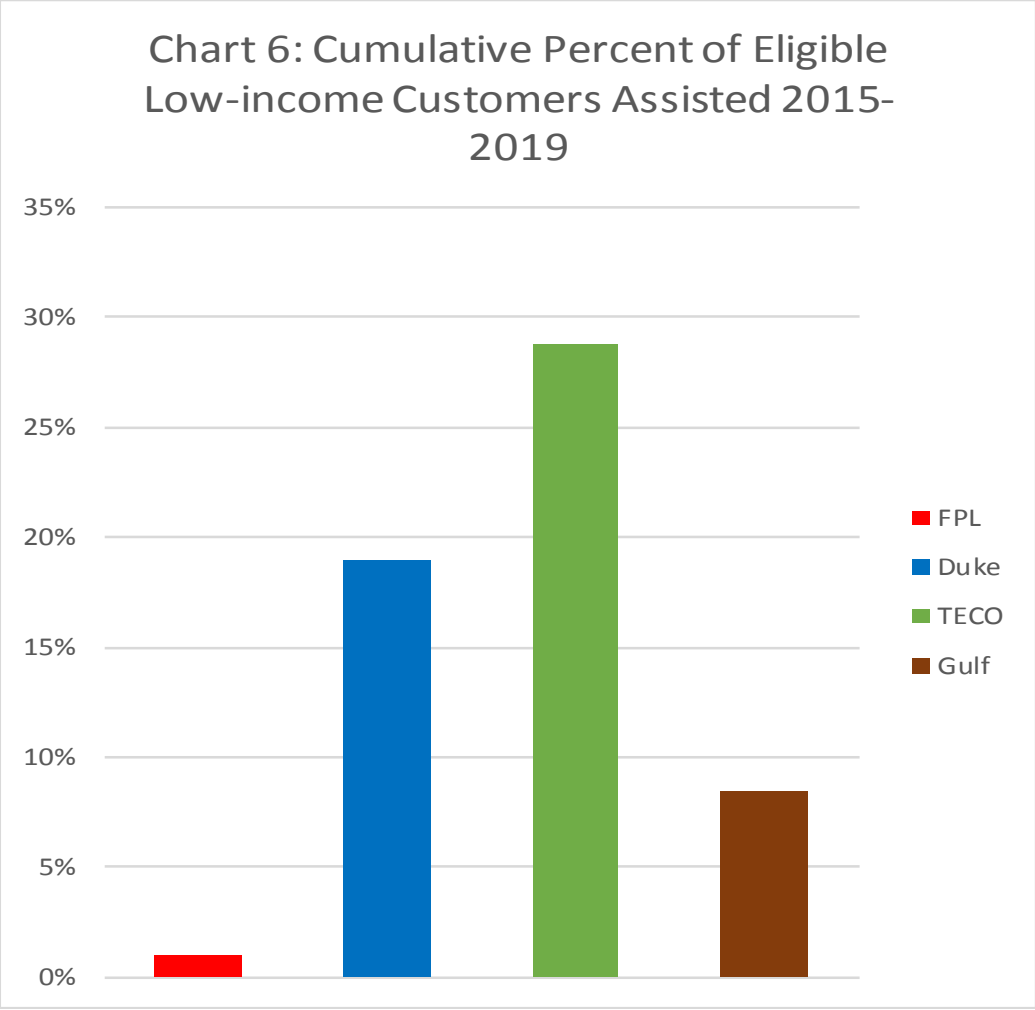


When Gulf is added, FPL is about twice the size of Duke and TECO combined. Yet, a look at historical numbers of low-income customers helped, even in absolute numbers, shows how FPL has done comparatively little for their low-income customers through energy efficiency programs.[10]

[10] Source 2 at 7, Source 5 at 5 (only includes Duke's *Neighborhood Energy Saver* program), Source 8 at 13, Source 11 at 2.

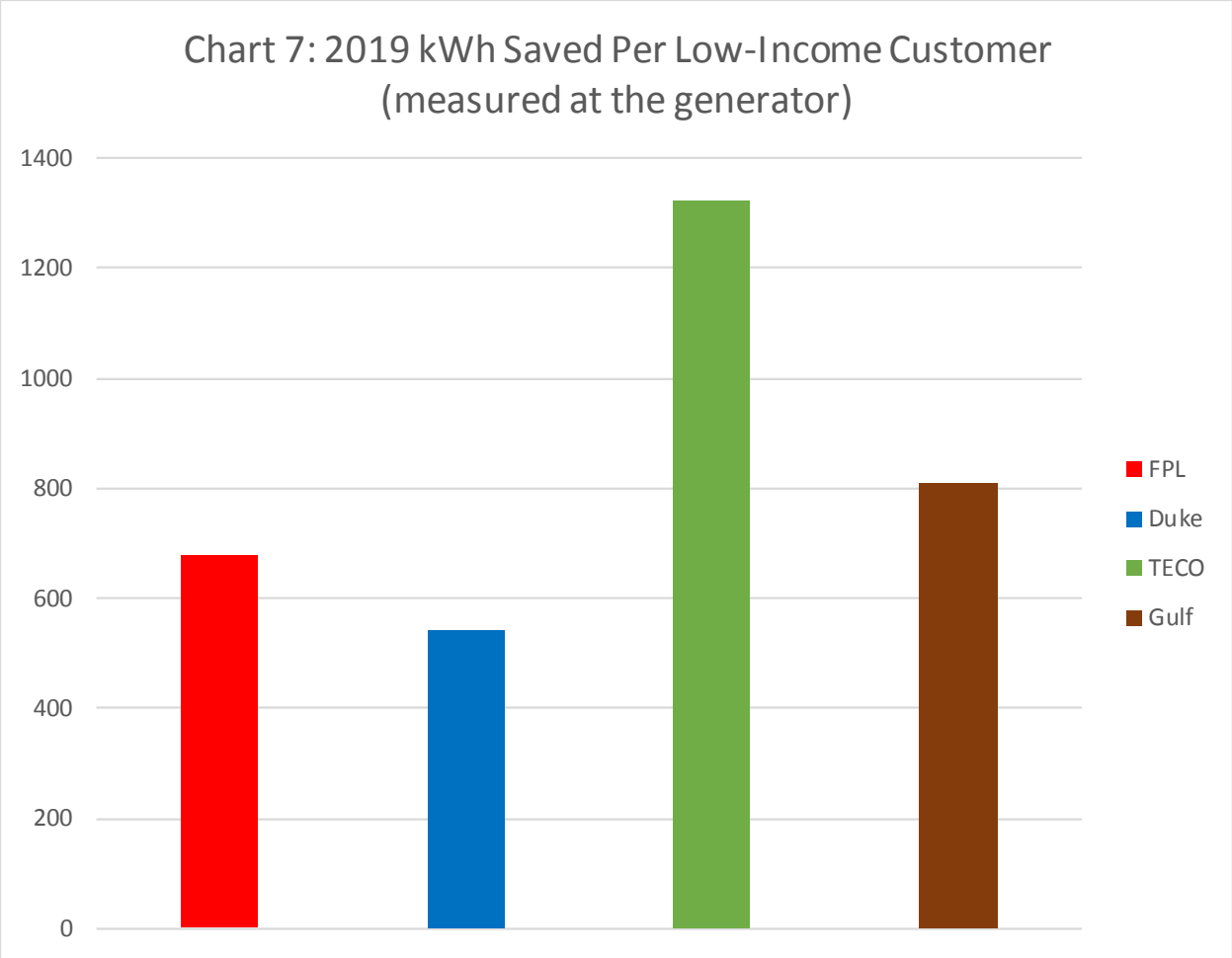


When breaking it down to the number of customers helped based on the number of low-income customers that are eligible, FPL fares even worse compared to the other utilities, as shown in Chart 6. Historically, TECO and Duke have also provided programs that have been more expansive and deep.



In addition to not reaching as many eligible customers, FPL also had near the lowest energy savings per low-income customer. *See* Chart 7.[11]

[11] Source 2 at 7, Source 5 at 5 (only includes Duke's *Neighborhood Energy Saver* program), Source 8 at 13, Source 11 at 2.



On this metric, Duke's *Neighborhood Energy Saver* program actually showed the smallest accomplishments per low-income customer (although Duke did save its low-income customers 1,068 kWh in its *Low Income Weatherization Assistance* program), with FPL not far behind. However, Duke is planning to increase per customer savings in the future, as was shown in Chart 3. Duke is doing this by adding high impact measures to both of its low-income programs. For example, Duke is adding high efficiency heat pumps, energy star room air conditioners, and single-family house air conditioners to both programs. Duke Response to Staff's First Data Request (Nos. 1-22) at 15-16, Docket No. 20200054-EG (April 7, 2020), http://www.psc.state.fl.us/library/filings/2020/01812-2020/01812-2020.pdf. TECO has managed

to achieve savings of over 1,000 kWh per year per low-income customer with its Neighborhood Weatherization. Other utilities can, and are planning to, do the same.

FPL's low-income program shows a lack of investment in both breadth (number of low-income customers reached) and depth (amount of savings per low-income customer). Although FPL does plan on expanding the breadth of its low-income program above past performance, the expansion is small compared to the amount of need in FPL's territory and lags too far behind peer utilities Duke and TECO. FPL initially plans to spend less than a million dollars per year on its low-income program, before eventually ramping up to $1.372 million in 2024, for a total of $5.529 million over the 5-year planning period. Source 1 at 104. Compare this to TECO, which is planning to spend a total of $26,455,000 over the five-year plan period.[12] Again, TECO is about one-seventh the size of FPL.

c. Duke Energy Florida Should Continue at its Previous Pace for Reaching Low-Income Customers.

Duke Energy Florida, in its demand-side management plan, has proposed two programs to help low-income customers. In its first program, *Neighborhood Energy Saver*, Duke plans to save customers 3,747 kWh per customer (measured at the generator), and in its second program, *Low Income Weatherization Assistance*, it plans to save customers 4,025 kWh per customer (2021-2024). *See* Source 4 at 20, 23. Duke has designed its programs to deliver strong TRC cost effectiveness with scores of 3.91 and 3.70, respectively, and both have 1.0 RIM scores. Source 4 at 20, 24. Duke just needs to plan to reach the same number of low-income customers it used to as recently as 2019. Given Duke's historic success in reaching its low-income customers (almost 20% over the last five-years), it should not let up now as it does in its program

[12] $814 per low-income participant in its program, with 6,500 participants per year, or $5,291,000 per year (about what FPL plans to spend over five-years). Source 7 at 100-101.

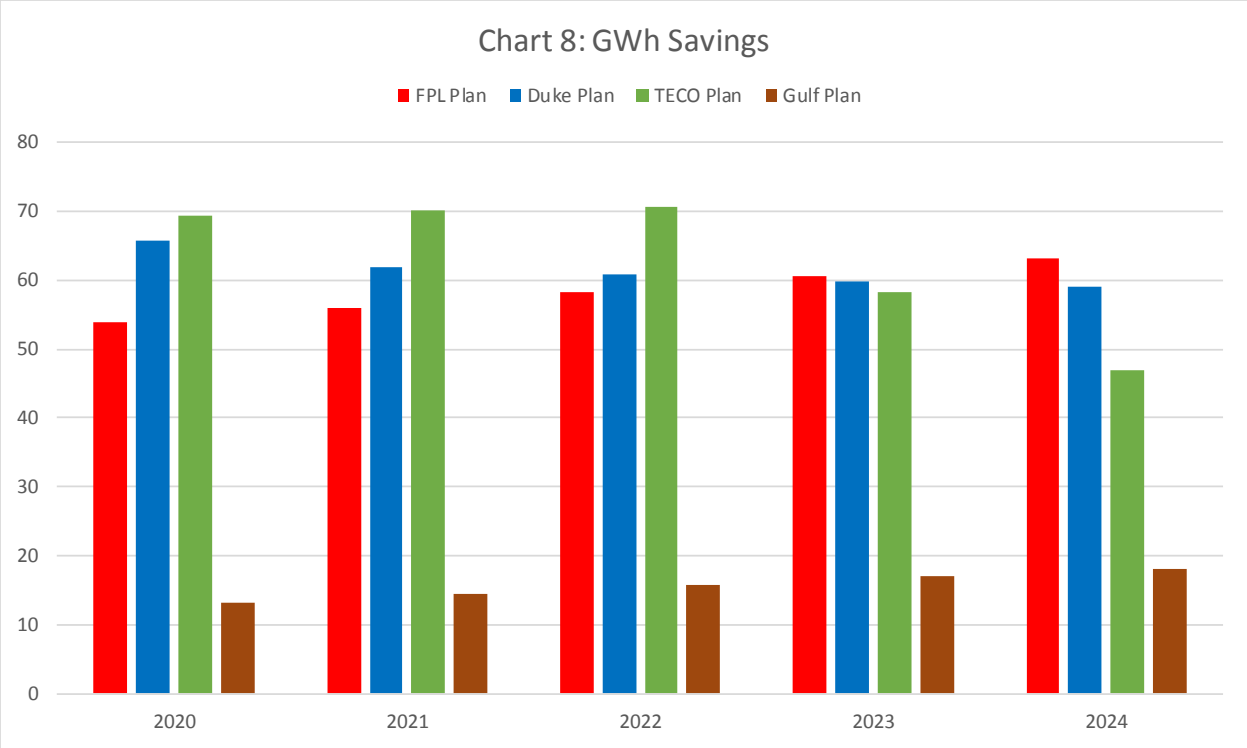
plan, where program penetration is projected to decline to a bit more than 5% of its low-income customers over the next five years. Source 5 at 5; Source 4 at 19. Duke, which had been reaching over 20,000 low-income customers per year, should not be now cutting that back to 5,000 customers per year. *Id.* Duke has proved that it can have the proper breadth of a low-income program (number of customers reached), and has now proved it can plan to have the proper depth for a low-income program (savings per low-income customer). The proper course is not to abandon breadth for depth, but to combine the two together to have maximum impact for all of Duke's low-income customers. With a neutral RIM score, there is no rate impact of maximizing the breadth of these programs, while a great many people could benefit from lower energy bills. Duke should strive to lower the bills of as many of its low-income customers as it can.

II. A CLEAR DIVIDE BETWEEN THE IOUs ON OVERALL ENERGY SAVINGS

When it comes to energy efficiency, FPL's low performance is not limited to its low-income programs. FPL has also been the worst performer among IOUs when it comes to overall energy efficiency in Florida. It has an opportunity to reverse that trend, but in its current plan, FPL's energy efficiency programs not only fail to catch up with its peers, the company will barely meet base requirements.

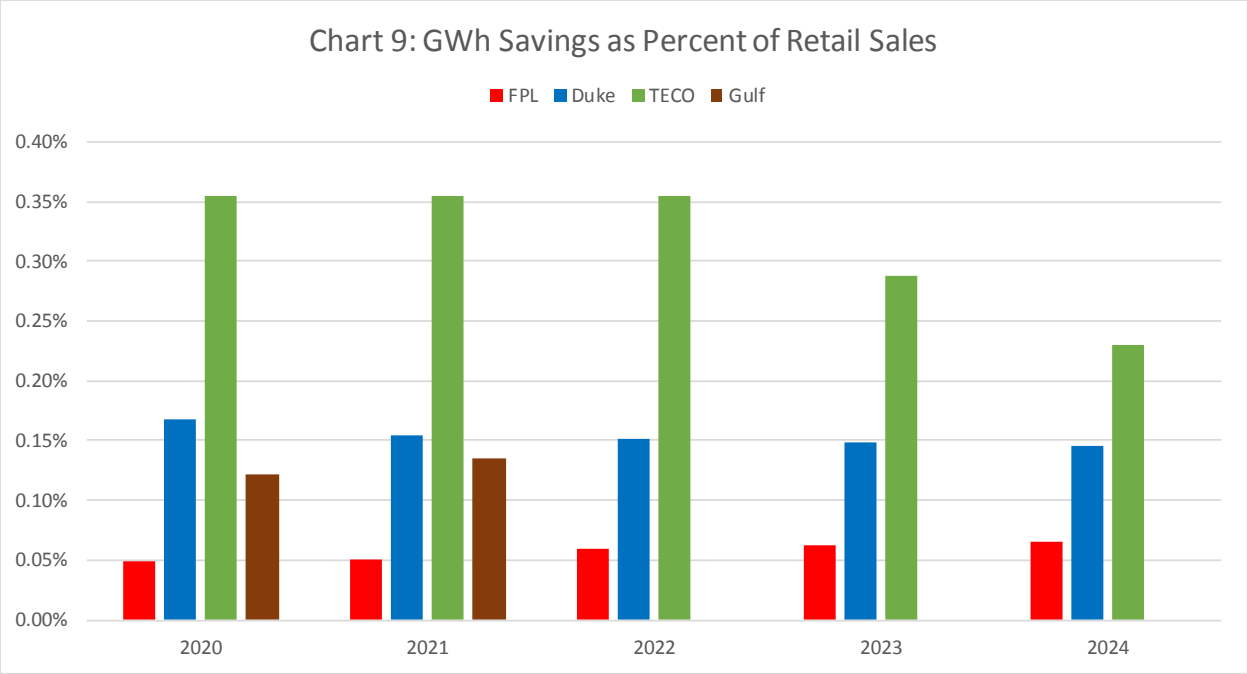
Chart 8 shows the total planned savings (GWh per year) over the next five-year period as measured at the generator.[13]

[13] Source 1 at 32; Source 4 at 3, 5; Source 7 at 17; Source 10 at 35.

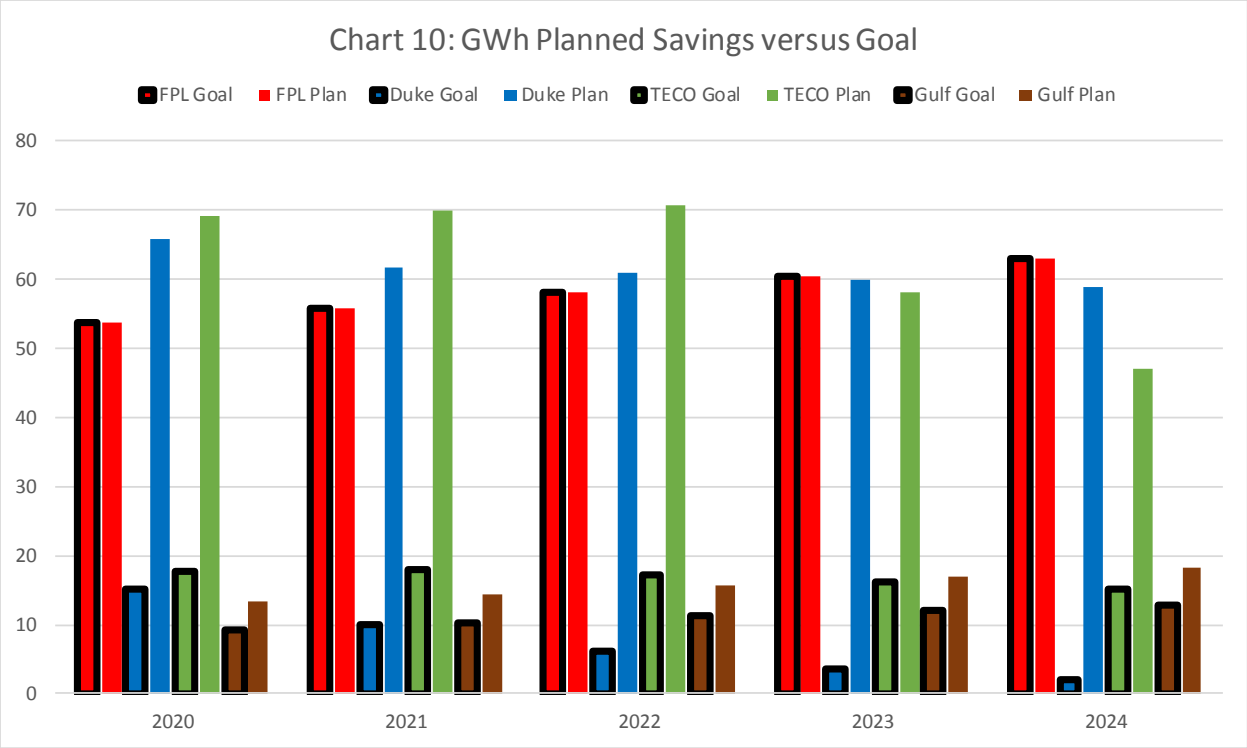


At a quick glance, Chart 8 makes it appear that Duke, FPL, and TECO plan to perform about equally. However, this does not take into account the relative size of these utilities, as FPL is bigger than the other three utilities combined. This is why energy savings are often measured by percent of retail sales, in order to account for the proportionate size of each utility. Comparing percent of retail sales, as shown in Chart 9, shows that FPL is again the outlier in terms of energy savings.[14] TECO is by far the leader in Florida with about twice the savings of Duke and Gulf, and seven times the savings of FPL.

[14] For planned GWh savings: Source 1 at 32; Source 4 at 3, 5; Source 7 at 17; Source 10 at 35. For planned retail sales: Source 3 at 71, Source 6 at 2-7, Source 9 at 35. In FPL's 2020 Ten Year Site Plan, Gulf and FPL are integrated and have combined retail sales starting in 2022.

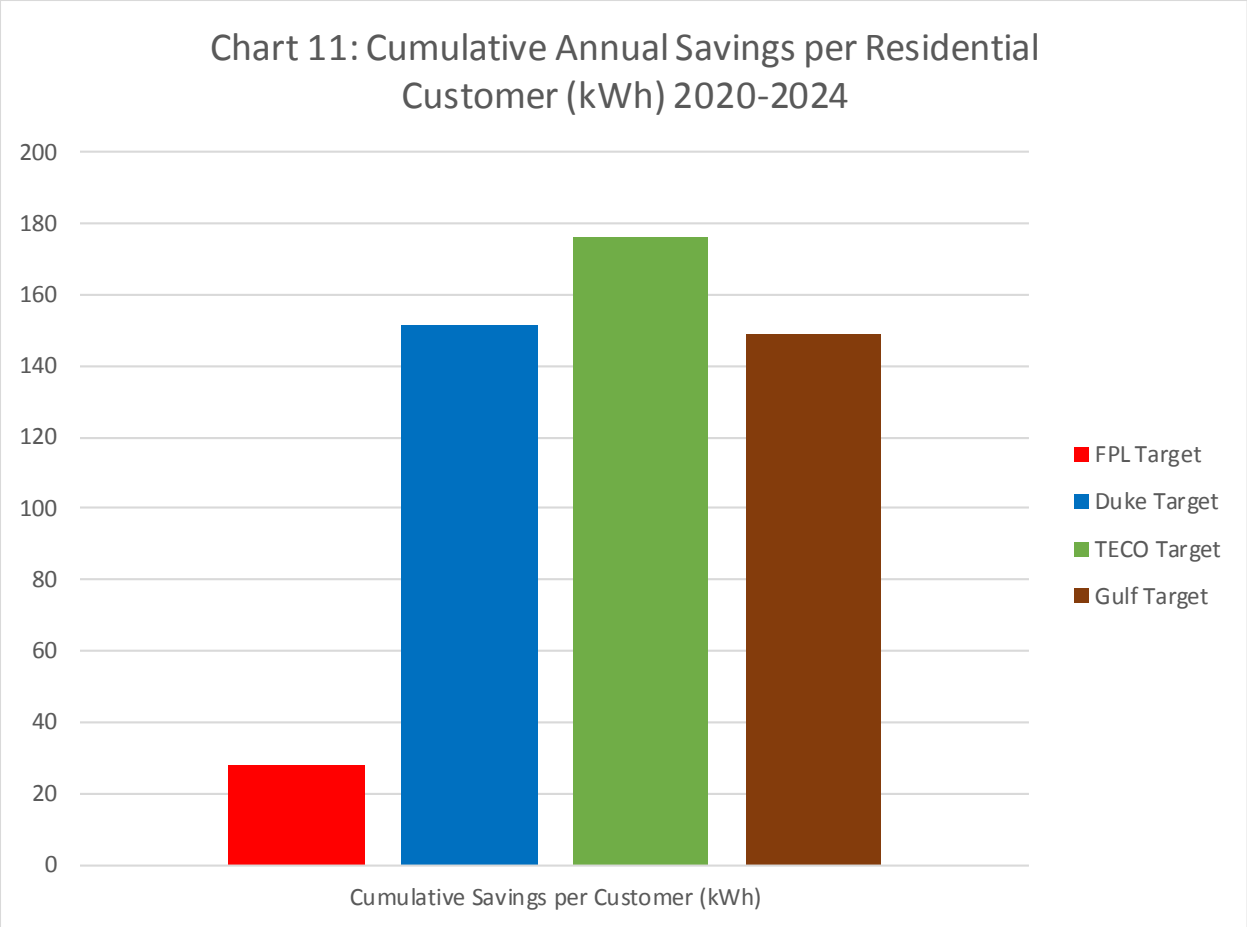


The reason FPL is so far behind is in part because FPL is doing the bare minimum to achieve its goals. In fact, FPL made clear in response to staff's requests for additional information that once residential goals, or business/industrial goals were reached for the year, all programs in that category (residential or business/industrial) would be capped from further participation. *See* FPL Response to Staff's First Data Request, Request No. 8, Docket No. 20200056-EG, *available at* http://www.psc.state.fl.us/library/filings/2020/01716-2020/01716-2020.pdf. Chart 10 compares each utility's planned savings to their goal. While other IOUs plan to significantly exceed mandated savings levels, FPL stands out as doing the bare minimum.



What is most important to residential customers, of course, is how much savings they can expect on average. One way to compare the IOUs to take account of their overall residential savings plan and their relative size is to consider their cumulative plan of kWh saved per residential customer per year on a per capita basis, as shown in Chart 11.[15]

[15] For planned residential GWh to be saved: Source 1 at 32; Source 4 at 3; Source 7 at 17; Source 10 at 35. For number of residential customers (to calculate per customer number projected in 2024): Source 1 at 31; Source 4 at 11; Source 7 at 20; Source 10 at 34.



Once again, FPL stands out for providing the least savings per residential customer.

FPL's demand-side management plans stand in stark contrast to the interest of its ratepayers, as shown by its own accounting. The following is an illustrative example of the cost-effective benefits of demand side management in deferring more expensive generation resources. In its just-filed 2020 ten-year site plan, FPL announced that it is in the process of building Crist Unit 8—gas-burning combustion turbines with a capacity of 949 MW (winter). Source 3 at 190. This unit was notably absent from FPL's and Gulf's 2019 ten-year site plan despite its imminent construction (air construction permits were filed shortly after the 2019 ten-year site plan was submitted), and was also absent from both Gulf's and FPL's potential avoided unit analysis during the goal-setting process. FPL is doing this at a total installed cost of $479,000 per MW,

or approximately $454,571,000, all for a plant that FPL expects to use about 3% of the time. *Id*. This expense will be borne by FPL's ratepayers, at an additional cost of $7,592,000 every year just to maintain the facility. *Id*.

Yet, FPL's own energy efficiency programs can be significantly more cost-effective than this. FPL's residential ceiling insulation program saved 2.618 MW (winter) last year, while only costing $770,000, or $294,117 per MW (almost half the cost of the new combustion turbine FPL is installing). Source 2 at 6. An even better example is FPL's *Business Lighting* program, which cost a mere $470,000 in 2019, yet saved over 3 MW of capacity (winter), and 4.767 MW (summer), yielding a capacity cost of only $154,554 per MW (winter) and $98,595 per MW (summer). Source 2 at 12. While this an illustrative example, even with FPL's historical and current minimal efforts to deploy energy efficiency, FPL's own programs potentially provide a more cost-effective way to defer generation capacity. FPL could save its customers a lot of money with investments in energy efficiency and conservation instead of increasing its reliance on fracked gas.

Currently, on its website, FPL claims that its residential *bills* are lower than that of the average electric *bill* for 46 states. *See* https://www.fpl.com/landing/value.html?cid=aliasvalue. Yet, the asterisk states this average residential bill is based on comparing residential bills of 1,000 kWh per month. In other words, this is not a comparison of average bills at all, but of average rates. This is misleading because its average bills are higher than many states. In 2018, the last year for which national data is available on average bills, 21 states actually had lower average electricity bills.[16] While hardly the worst in the nation in terms of average residential

[16] In fact, in 2019, the average kWh consumption per residential customer was 1,122 kWh per month. Source 3 at 71. Even taking the rates from June 2020 (i.e., not the one time fuel discount from May, but taking into account the extraordinarily low fuel prices at the moment), this leads

electricity bills, FPL is not the leader it claims. As has been repeatedly shown, even by FPL's own data, greater efficiency would lead to significantly lower bills for FPL's customers, even if it led to imperceptible upward pressure on rates.

CONCLUSION

All of Florida's IOUs have a lot of room for improvement, both in terms of their overall energy efficiency programs and specifically in their low-income program offerings. We ask that the Commission task the IOUs with developing low-income programs that reach at least 5% of their low-income customers annually. TECO has already shown that this level of outreach is reasonably attainable. The Commission should likewise charge the IOUs with capturing the level of savings for customers exhibited by Duke. The utility has shown that this depth of savings can be cost-effectively achieved. Clearly, FPL must improve its weak low-income program offerings in both scope and depth, and be precluded from cutting off participation in its low-income program if it meets the energy savings in its overall (again weak) energy savings for

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to an average bill of $106.99. (8.34 (customer charge) + $61.60 (1,000 kWh at $0.0616/kWh) + $8.81 (122 kWh at $0.07222/kWh) + $1.56 (1,122 kWh at $0.00139/kWh) + $2.58 (1,122 kWh at $0.0023/kWh) + $1.74 (1,122 kWh at $0.00155/kWh) + $18.84 (1,000 kWh at $0.01884/kWh) + $3.52 (122 kWh at $0.02884/kWh).) https://www.fpl.com/rates/pdf/Residential%20(Effective%20June%202020).pdf. These gas prices have fallen a lot, yet FPL's average monthly bill is still barely below the average bill from 2018, and is certainly not below that of 46 states. In 2018, the latest year for which data is available, Maine, Vermont, New Jersey, Illinois, Michigan, Wisconsin, Minnesota, the District of Columbia, Colorado, Idaho, Montana, New Mexico, Utah, Wyoming, California, Oregon, and Washington all had lower bills than FPL. https://www.eia.gov/electricity/sales_revenue_price/pdf/table5_a.pdf. Additionally, in 2018, FPLs average residential bills were $113.78 per month, based off of 1,121.33 average kWh usage per month. Source 3 at 71 (for average usage in 2018); https://www.fpl.com/rates/pdf/Jan2018-Residential.pdf (for rates). In addition to all of the states listed above, that means that the sates of Nevada, Arkansas, Nebraska, Iowa, and New York all had lower average bills too (and could still have lower average bills, as 2018 is the latest data from these states). So, when FPL said they had average bills lower than that of 46 states, what they should have said is that they have average lower bills than 29 states (and 21 states have average lower bills).

the residential sector. The Staff recommendation to cut low-income programs and roll back the clock must be rejected. The need for improvements in these programs (and not to cut them as staff would do) is great. The time to improve them is now.

Respectfully submitted this 1st day of July, 2020.

/s/ Bradley Marshall
Bradley Marshall
Florida Bar No. 0098008
bmarshall@earthjustice.org
Jordan Luebkemann
Florida Bar No. 1015603
jluebkemann@earthjustice.org
Earthjustice
111 S. Martin Luther King Jr. Blvd.
Tallahassee, Florida 32301
(850) 681-0031
(850) 681-0020 (facsimile)
Counsel for League of United Latin American Citizens of Florida, Environmental Confederation of Southwest Florida, and Southern Alliance for Clean Energy

/s/ George Cavros
George Cavros
Florida Bar No. 22405
george@cleanenergy.org
Southern Alliance for Clean Energy
120 E. Oakland Park Blvd., Suite 105
Fort Lauderdale, FL 33334
(954) 295-5714
Counsel for Southern Alliance for Clean Energy

Data Sources:

Source 1 – Petition for Approval of Florida Power & Light Company's Demand-Side Management Plan, Docket No. 20200056-EG (Fla. P.S.C. Feb. 24, 2020), *available at* http://www.psc.state.fl.us/library/filings/2020/01068-2020/01068-2020.pdf.

Source 2 – Florida Power & Light Company 2019 DSM Annual Report (March 2, 2020), *available at* http://www.psc.state.fl.us/Files/PDF/Utilities/Electricgas/ARDemandSide/2019/Florida%20Power%20and%20Light.pdf.

Source 3 – Florida Power & Light Company and Gulf Power Company 2020 Ten Year Power Plant Site Plan (April 2020), *available at* http://www.psc.state.fl.us/Files/PDF/Utilities/Electricgas/TenYearSitePlans/2020/Florida%20Power%20and%20Light%20and%20Gulf%20Power%20Company.pdf.

Source 4 – Duke Energy Florida Revised 2020-2024 Demand Side Management Program Plan, Docket No. 20200054-EG (Fla. P.S.C. April 22, 2020), *available at* http://www.psc.state.fl.us/library/filings/2020/02150-2020/02150-2020.pdf.

Source 5 – Duke Energy Florida Demand Side Management Annual Report for Calendar Year 2019 (Feb. 28, 2020), *available at* http://www.psc.state.fl.us/Files/PDF/Utilities/Electricgas/ARDemandSide/2019/Duke%20Energy%20Florida.pdf.

Source 6 – Duke Energy Florida, LLC Ten-Year Site Plan (April 2020), *available at* http://www.psc.state.fl.us/Files/PDF/Utilities/Electricgas/TenYearSitePlans/2020/Duke%20Energy%20Florida.pdf.

Source 7 – Tampa Electric Company's Petition for Approval of Demand Side Management Plan, Docket No. 20200053-EG (Fla. P.S.C. Feb. 19, 2020), *available at* http://www.psc.state.fl.us/library/filings/2020/00986-2020/00986-2020.pdf.

Source 8 – Tampa Electric Company's Summary of 2019 DSM Program Accomplishments (March 2, 2020), *available at* http://www.psc.state.fl.us/Files/PDF/Utilities/Electricgas/ARDemandSide/2019/Tampa%20Electric%20Company.pdf.

Source 9 – Tampa Electric Company Ten-Year Site Plan for Electrical Generating Facilities and Associated Transmission Lines January 2020 to December 2029 (April 2020), *available at* http://www.psc.state.fl.us/Files/PDF/Utilities/Electricgas/TenYearSitePlans/2020/Tampa%20Electric%20Company.pdf.

Source 10 – Gulf Power Company's Petition for Approval of Proposed Demand-Side Management Plan, Dcoket No. 20200055-EG (Fla. P.S.C. Feb. 24, 2020), *available at* http://www.psc.state.fl.us/library/filings/2020/01067-2020/01067-2020.pdf.

Source 11 – Gulf Power Company's 2019 FEECA Program Progress Report (Feb. 28, 2020), *available at* http://www.psc.state.fl.us/Files/PDF/Utilities/Electricgas/ARDemandSide/2019/Gulf%20Power%20Company.pdf.