

Antonia Hover

From: Antonia Hover on behalf of Records Clerk
Sent: Wednesday, May 20, 2020 12:12 PM
To: 'bmarshall@earthjustice.org'
Cc: Consumer Contact
Subject: FW: SACE Amended Comments for Docket No. 20200057-EG
Attachments: SACE Amended Comments Docket No 20200057.pdf

Good Afternoon, Attorney Marshall.

We will be placing your comments below in consumer correspondence in Docket No. 20200057, and forwarding them to the Office of Consumer Assistance and Outreach.

Thank you!

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From: Bradley Marshall <bmarshall@earthjustice.org>
Sent: Wednesday, May 20, 2020 10:59 AM
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Subject: SACE Amended Comments for Docket No. 20200057-EG

Good morning,

Please find attached the Southern Alliance for Clean Energy's amended comments in relation to Docket No. 20200057-EG. Please add these comments to the docket as SACE's public comment on JEA's amended petition. If you have any questions, please do not hesitate to ask. Thank you.

Best,
Bradley

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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition for approval of demand-side) DOCKET NO. 20200057-EG
management plan, by JEA)
_____)

AMENDED COMMENTS BY SOUTHERN ALLIANCE FOR CLEAN ENERGY

The amended demand-side management plan JEA has presented for the Public Service Commission’s consideration in its petition in this docket is still not sufficient for meeting JEA’s demand side management goals as determined by the Commission pursuant to the goal-setting proceedings under the Florida Energy Efficiency and Conservation Act (“Energy Efficiency Act”). JEA cannot legally rely on its auditing program to meet its goals, and its plan as presented should still be rejected. Instead, it should include energy efficiency programs on which it has previously relied upon, at comparable savings levels, to provide energy savings going forward. If it does include those programs in its plan, it would surpass its goals and the Commission could approve its demand-side management plan. However, even if JEA does include those prior programs, JEA will still have room for improvement in its program for its low-income customers. JEA must do more. If JEA amends its plan to include the additional programs and expand its low-income program, JEA would become a state leader on capturing energy savings for customers.

BACKGROUND

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. In order to advance these interests, the Commission granted SACE's petition to intervene in the most recent goal-setting proceeding for JEA. Order Granting Intervention, *In re: Commission review of numeric conservation goals (JEA)*, Docket No. 20190020-EG (hereinafter "JEA goal-setting docket"), Order No. PSC-2019-0137-PCO-EG (Fla. P.S.C. April 17, 2019). JEA's amended demand-side management plan, at issue in this proceeding, is a direct result of that goal-setting process and is meant to include JEA's plan for reaching and implementing the goals.

In the goal-setting process, JEA argued that all of its demand-side management goals should be set for zero, including zero residential summer and winter megawatt goals, zero annual residential gigawatt-hour goals, zero commercial/industrial summer and winter megawatt goals, and zero annual commercial/industrial gigawatt-hour goals. JEA's Post Hearing Brief at 17-18, JEA goal-setting docket (Fla. P.S.C. Sept. 20, 2019). SACE contested these zero goals, arguing that zero was not a legally available option to the Commission. *See, e.g.*, Southern Alliance for Clean Energy's and League of United Latin American Citizens' Post-Hearing Statement and Brief at 2, 47-49, JEA goal-setting docket (Fla. P.S.C. Sept. 20, 2019). After a multiple-day

hearing, hundreds of exhibits, and hundreds of pages of briefing, the Commission rejected JEA's proposed goals of zero, finding "that it is in the public interest to continue with the goals set in the last FEECA proceeding." Final Order Approving Numeric Conservation Goals at 5, JEA goal-setting docket, Order No. PSC-2019-0509-FOF-EG (Fla. P.S.C. Nov. 26, 2019) (hereinafter "Goal-setting Order"). Consequently, the Commission ordered that residential and commercial/industrial peak demand (MW) and energy consumption (GWh) goals be set for JEA for each year from 2020-2024. *Id.* at 19. Developing a program plan to meet the goals set by the Commission is not optional. § 366.82(7), Fla. Stat. ("[T]he commission shall require each utility to develop plans and programs to meet the overall goals within its service area.").

On February 24, 2020, JEA filed its plan for meeting the goals set by this Commission. JEA's Petition for Approval of Demand Side Management Plan, Docket No. 20200057-EG (Fla. P.S.C. Feb. 24, 2020). On April 20, 2020, SACE filed its original comments objecting to JEA's petition, arguing that JEA's plan could not be approved by the Commission. On April 30, 2020, JEA filed an amended petition, removing reliance on its retired net metering program for meeting the Commission-approved goals, and adding a commercial lighting energy efficiency program. JEA's Amended Petition for Approval of Demand Side Management Plan, *In re: Petition of JEA for approval of demand side management plan*, Docket No. 20200057-EG (Fla. P.S.C. April 30, 2020) (hereinafter "JEA Amended Plan"). Although this is an improved plan, JEA's plan is still not adequate for meeting the residential efficiency and conservation goals set for it by this Commission. But, JEA has already enacted other efficiency programs sufficient to meet its goals that it chose not to include in its plan. JEA can easily amend its plan again to add these additional programs. JEA can be a leader in energy efficiency for Florida, delivering savings to its customers' bills.

DISCUSSION

I. JEA’S PLAN IS NOT ADEQUATE FOR MEETING THE COMMISSION RESIDENTIAL-APPROVED GOALS

There are now two components to JEA’s residential plan, each of which SACE will discuss separately: 1) JEA’s residential low-income program; and 2) JEA’s separately required energy audits.¹

A. JEA’s low-income program still fails to meet the need of its customers.

JEA’s Amended Plan fails to improve upon the original plan that JEA filed in this docket. Almost 38% of the population in JEA’s service territory lives at or below 200% of the federal poverty level and Jacksonville has the highest energy burden of any major Florida city. *See* Testimony of Forest Bradley-Wright at 5, *In re: Commission Review of Numeric Conservation Goals JEA*, Docket No. 20190020-EG, (Fla. P.S.C. June 10, 2019). Meaningful energy efficiency programs are recognized as the best strategy for reducing high-energy burden. Their deployment should be scaled in both breadth and depth to truly and effectively improve conditions for JEA families struggling to pay monthly bills.

Moreover, Florida has some of the highest electricity bills in the nation due to our extraordinary energy usage – especially in the summer months. It is no coincidence that Florida has some of the highest energy usage when our energy efficiency programs and energy savings achievements are so small relative to savings captured by utilities in most other states. The result is high electricity bills that are unaffordable to many households. Florida’s severe

¹ JEA’s Residential Solar Water Heating program, *see* JEA Amended Plan at III-6 to III-10, while a legally permissible plan, does not meaningfully contribute to JEA’s goals. It contemplates serving *two* participants annually, contributing a total savings of 0.004821 GWh, 0.001 winter MW, and 0.0009 summer MW annually out of JEA’s annual residential goals of 2.5 GWh, 0.96 winter MW, and 0.94 summer MW, respectively. *Compare* JEA Amended Plan at III-10 *with* Goal-setting Order at 19.

underperformance on energy efficiency—in other words, cost savings to customers—is due to an inappropriate focus on electricity *rates*, rather than total *bills*. For low-income customers already facing high-energy bills, it is not the rates that matter—programs that reduce expensive energy waste are the real solution to high-energy bills.

JEA plans to help 1,350 of its low-income customers per year as part of its *Neighborhood Energy Efficiency Program*, with savings of 1,084 kWh per participant (as measured at the generator).² JEA Amended Plan at III-11 to III-12. This amounts to a 5% cumulative penetration of eligible customers, with a total of 6,750 low-income customers assisted during the goal-setting period. *Id.* These are not impressive numbers when compared to peer utilities in Florida. TECO, which serves about 50% more customers than JEA, plans to help 32,500 customers during the same period (almost five times as many). *See* Tampa Electric Company’s Petition for Approval of Demand Side Management Plan at 101, Docket No. 20200053-EG (Fla. P.S.C. Feb. 19, 2020). TECO’s plan also calls for savings *per* low-income customer of twice that of what JEA proposes, with savings of 2,040 kWh per customer (measured at the generator). *Id.* at 103. While there is still a lot of room for improvement in TECO’s plan, JEA is falling far short even compared to other Florida utilities, like TECO. JEA can and must do better.

TECO, in their low-income program, plans to reach 24.9% of their eligible customers by 2024. *Id.* JEA should aim to do at least the same (ideally, should aim to do even better), which would equate to an annual goal of assisting 6,750 customers.³ Moreover, TECO is already saving their low-income customers more energy in their low-income program, but at a lower cost

² In their plan, JEA lays out three phases as part of their low-income program, but does not specify exactly what efficiency or conservation measures are contemplated in each phase, not does JEA specify the expected energy savings from each phase. JEA Plan at III-14.

³ JEA expects to have 135,270 eligible customers by 2024. JEA Plan at III-14.

than what JEA currently spends. *Compare* TECO Annual FEECA Report for 2019 at 13 (\$295 of cost per low-income customer installation with savings of 1,325 kWh)⁴ *with* JEA Annual FEECA Report for 2019 at 9 (\$331 of cost per low-income customer installation with savings of 893 kWh).⁵

Duke Energy Florida, in its demand-side management plan, has proposed two programs to help low-income customers. In their first program, they plan to save customers 3,747 kWh per customer (measured at the generator), and in their second program, they plan to save customers over 15,000 kWh per customer. *See* Duke Energy Florida, LLC's Petition for Approval of Proposed Demand-Side Management Plan at 20, 23, Docket No. 20200054-EG (Fla. P.S.C. Feb. 24, 2020). JEA should consider developing a deeper savings program like Duke's, which substantially improves the financial wellbeing of customers struggling the most with high-energy burdens. Regardless, JEA should at least aim for the lower of the Duke program numbers, saving 3,750 kWh per customer in their existing low-income program. Improvements to JEA's low-income program can be made cost-effectively; Duke has designed its program to deliver strong TRC cost effectiveness with a score of 3.91 and a 1.0 RIM score.

While JEA's low-income program achievements count towards their goals, the achievements JEA plans to accomplish with this program (even when combined with the solar-water heating program) are still not sufficient to meet JEA's legally mandated goals. JEA plans to achieve savings of 1.463 GWh per year, 0.5185 winter MW, and 0.7707 summer MW (at the generator) from this program. JEA Amended Plan at III-12. This falls short of JEA's legally

⁴ Available at <http://www.psc.state.fl.us/Files/PDF/Utilities/Electricgas/ARDemandSide/2019/Tampa%20Electric%20Company.pdf>.

⁵ Available at <http://www.psc.state.fl.us/Files/PDF/Utilities/Electricgas/ARDemandSide/2019/JEA.pdf>.

mandated residential goals of 2.5 GWh, 0.96 winter MW, and 0.94 summer MW. Goal-setting Order at 19. As discussed further, JEA’s plan to use audits to reach its residential goals is not legally sufficient. Improving JEA’s low-income program, by adapting approaches used by Duke and TECO, would yield the savings required by the Commission’s residential goals.

B. JEA’s independently required energy auditing program cannot be used to meet its current goals.

Historically, the Commission has found “that no behavioral savings [from audits] shall be counted towards goals for the . . . FEECA utilities.” Order Approving Modifications to JEA’s Demand-Side Management Plan at 2, Docket No. 150087-EG, Order No. PSC-15-0324-PAA-EG (Fla. P.S.C. Aug. 11, 2015). In rejecting a similar attempt to include savings from audit programs by another municipal utility in 2015, Orlando Utilities Commission, the Public Service Commission explained that “audit savings associated with customer behavior modifications . . . are difficult to quantify and may expire before the end of the ten-year goal period. . . . [B]ehavioral savings will no longer be counted towards achieving DSM goals because behavioral savings are not directly monitorable.” Order Approving Modifications to Orlando Utilities Commission’s Demand-Side Management Plan at 3, *In re: Petition for Approval of modifications to demand-side management plan by Orlando Utilities Commission*, Docket No. 15088-EG, Order No. PSC-15-0325-PAA-EG (Fla. P.S.C. Aug. 11, 2015). JEA, in its amended plan, makes clear that for the savings it is calculating from its audit program, it is relying, at least in part, on such “behavioral . . . recommendations that may be implemented by the customer.” JEA Amended Plan at III-5.

JEA, in 2014, entered into a settlement agreement with all intervening parties and approved by the Commission that did allow JEA to count savings from audit programs towards its goals. No party has entered such a settlement agreement this time (and SACE was not an

intervenor nor signatory to the settlement agreement in 2014). The Commission, although it continued the goals from the 2014 proceeding, did not reaffirm or continue anything else from the 2014 proceeding, only finding that “it is in the public interest to continue with the *goals*” and that the “annual *goals* set in 2014 for each of the utilities . . . will carry forward.” Goal-setting Order at 5 (emphasis added). The Commission, notably, did not carry forward any of the findings, requirements, or other orders from the 2014 proceeding except for the goals themselves. The 2019 goal-setting proceeding was a new proceeding, from which the Commission newly determined that the appropriate goals were the goals set in 2014. Nothing more from 2014 was continued, as also evidenced by the Commission newly ordering the utilities to “file individual demand-side management plans designed to meet their approved goals” set in the 2019 goal-setting proceeding. *Id.* at 10. As such, JEA may not count savings from the separately mandated audit program towards its goals. *See* § 366.82(11), Fla. Stat. Complying with implementing a separate and distinct legally mandated program cannot count towards a utility meeting its demand-side management goals.

As shown in the table below, removing the “savings” from the mandated audit program shows how JEA is still falling short in its plan to achieve its residential goals.

Residential Summer MW	2020	2021	2022	2023	2024
Commission Ordered Goal	0.94	0.94	0.94	0.94	0.94
JEA Plan w/o Audits	0.7702	0.7702	0.7702	0.7702	0.7702
Percent Difference	-18%	-18%	-18%	-18%	-18%
Residential Winter MW	2020	2021	2022	2023	2024
Commission Ordered Goal	0.96	0.96	0.96	0.96	0.96
JEA Plan w/o Audits	0.5202	0.5202	0.5202	0.5202	0.5202
Percent Difference	-46%	-46%	-46%	-46%	-46%
Residential GWh	2020	2021	2022	2023	2024
Commission Ordered Goal	2.5	2.5	2.5	2.5	2.5
JEA Plan w/o Audits	1.47048	1.47048	1.47048	1.47048	1.47048
Percent Difference	-41%	-41%	-41%	-41%	-41%

II. IF JEA SIMPLY INCLUDES ITS EXISTING PROGRAMS, THE COMMISSION MAY APPROVE OF JEA’S PLAN

JEA already enacted several efficiency and conservation programs that, if included in JEA’s plan, would be more than sufficient to comply with JEA’s mandated residential goals. These programs are “Residential Efficiency Upgrade,” Residential “Energy Efficient Products,” “Residential New Build,” “Commercial Prescriptive Program,” “Small Business Direct Install Program,” and “Custom Commercial Program.” *See* JEA Annual FEECA Report for 2019 at 3-4.⁶ Since these programs were not included in JEA’s amended plan, it is uncertain if JEA intends to continue these programs. If JEA simply amends its plan to include these existing programs with planned accomplishments equal to what it achieved in 2019, JEA will have submitted a plan that is not only in compliance with its legally mandated goals, but that will be in excess of those goals. Including these programs in JEA’s plan would also give JEA’s customers

⁶Available at <http://www.psc.state.fl.us/Files/PDF/Utilities/Electricgas/ARDemandSide/2019/JEA.pdf>.

some certainty that these programs will continue. SACE urges the Commission to request that JEA amend its plan to include these programs.

JEA can be a leader in the state of Florida for energy efficiency if it includes its existing programs. In 2019, JEA achieved 40.4 GWh of savings from these programs, for a total savings of 41.5 GWh (including JEA’s low-income program but not audits or net-metering). *Id.* at 4, 9. This represents 0.34% of JEA’s retail sales.⁷ This would actually make JEA one of the leading utilities in Florida, achieving well-beyond its goals. JEA should amend its demand-side management plan to include these programs – not only to meet the minimum legal requirements to meet its residential goals, but to show leadership in terms of overall energy efficiency and savings.

III. THE COMMISSION SHOULD URGE JEA TO INCLUDE AN EVALUATION, MEASUREMENT, AND VERIFICATION PROCESS IN ITS PROGRAMS

The Commission has long recognized that in reviewing the appropriateness of a conservation program, it needs to consider “whether the program is directly monitorable and yields measurable results.” Order Approving Modifications to JEA’s Demand-Side Management Plan at 2, Docket No. 150087-EG, Order No. PSC-15-0324-PAA-EG (Fla. P.S.C. Aug. 11, 2015). Using an evaluation, measurement, and verification process is a well-known best practice in the utility industry to do so. It is only by using such a process that a utility can determine the appropriate amount of free ridership that exists at the program level. Using such a process provides both the utilities and the Commission accurate information upon which to base future decisions. Such benefits go beyond learning about actual free ridership levels and ways to

⁷ JEA had 12,328 GWh of total sales to ultimate customers in 2019. JEA 2020 Ten Year Site Plan at 23, available at <http://www.psc.state.fl.us/Files/PDF/Utilities/Electricgas/TenYearSitePlans/2020/JEA.pdf>.

address free ridership and include gaining a better understanding of how the market responds to an individual program and using that information to modify the program design (including eligibility and target marketing and incentive levels); glean insight into market transformation over time by tracking net savings across program years and determining the extent to which free ridership and spillover rates have changed over time; informing resource supply and procurement plans, which requires an understanding of the relationship between efficiency levels embedded in base-case load forecasts and the additional net reductions from programs; and assessing the degree to which programs effect a reduction in energy use and demand (net savings in one program success measure that should be assessed). It also provides a means by which Florida utilities can learn from one another to improve the energy saving impact of their expenditures, and thereby deliver better value for their customers' money. In sum, by not using such a process, utilities (including JEA) and the Commission are losing valuable information that could be used to improve the financial benefits of efficiency and conservation programs and ensure that free-ridership is being addressed in an appropriate fashion.

CONCLUSION

The Commission may not approve JEA's proposed demand side management plan in its current form, as its audit program may not count towards its energy savings and conservation goals, and without the audit program, JEA has not included sufficient residential programs to meet its residential goals. Fortunately, JEA already has programs in place that may count towards its goals. JEA's proposed plan must simply be amended to include those programs. JEA has already demonstrated that it can achieve significant savings from these other programs, well in excess of its goals, with some of the leading savings in the state. JEA should also work

to improve its low-income program in both scope and depth to meet the needs of families struggling to pay monthly bills.

Respectfully submitted this 20th day of May, 2020.

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