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From: Antonia Hover on behalf of Records Clerk
Sent: Monday, April 20, 2020 4:10 PM
To: 'bmarshall@earthjustice.org'
Cc: Consumer Contact
Subject: FW: SACE Comments for Docket No. 20200057-EG
Attachments: SACE 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. In addition, per your request, Southern Alliance for Clean Energy (SACE) will be added as an interested party to the docket.

Toni Hover

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From: Bradley Marshall <bmarshall@earthjustice.org>
Sent: Monday, April 20, 2020 1:11 PM
To: Records Clerk <CLERK@PSC.STATE.FL.US>
Cc: Gabriella Passidomo <GPassido@psc.state.fl.us>; blewis@hgslaw.com; gperko@hgslaw.com
Subject: SACE Comments for Docket No. 20200057-EG

Good afternoon,

Please find attached the Southern Alliance for Clean Energy's comments in relation to Docket No. 20200057-EG. Please add these comments to the docket as SACE's public comment. Please also add the Southern Alliance for Clean Energy (SACE) as an interested party, and please e-mail all notifications to bmarshall@earthjustice.org. 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)
_____)

COMMENTS BY SOUTHERN ALLIANCE FOR CLEAN ENERGY

The demand-side management plan JEA has presented for the Public Service Commission's consideration in its petition in this docket is 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 rely on its auditing program and retired net-metering program to meet its goals, and its plan as presented should be rejected. Instead, it should rely on the existing programs that it offers but that are not part of its Energy Efficiency Act program plan. Consistent with performance reported in its 2019 energy efficiency annual reporting, once those existing programs are included, the Commission may approve of JEA's Petition for approval of its demand-side management plan. However, even if JEA were to include those existing programs, JEA will not adequately serve its low-income customers. JEA must do more.

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 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) (hereinafter “JEA plan”). As discussed below, JEA’s plan is not adequate for meeting the efficiency and conservation goals set for it by this Commission.

DISCUSSION

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

There are three components to JEA’s plan, each of which SACE will discuss separately: 1) JEA’s residential low-income program; 2) JEA’s retired net-metering program; and 3) JEA’s required energy audits.¹

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

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.

¹ JEA’s Residential Solar Water Heating program, *see* JEA 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 plan at III-10 *with* Goal-setting Order at 19.

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 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 Plan at III-14 to III-15. 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

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.

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 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,

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

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>.

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 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 Plan at III-15. This falls short of JEA's legally mandated residential goals of 2.5 GWh, 0.96 winter MW, and 0.94 summer MW. Goal-setting Order at 19. As discussed further, none of JEA's other proposed programs may be counted towards these goals. Improving JEA's low-income program, by making it more consistent with Duke and TECO's offerings, would yield the savings required by the Commission's residential goals.

B. JEA's retired net-metering program cannot be used to meet its current goals.

JEA proposes that its existing net-metering customers that are "grandfathered" under the applicable "legacy policy and procedure" count towards its mandated goals. JEA Plan at 19. There are many issues with this plan. First, the Legislature adopted net metering as a distinct state energy policy, *see* section 366.91, Florida Statutes, and hence net metering cannot be counted as a program towards achieving goals as part of the goal-setting process. Moreover, if the goal-setting process merely results in the implementation of programs already legally required, then the goal-setting process is redundant and serves no purpose. Tellingly, no other Florida utility counts customers installing solar panels on their own, and taking advantage of net-

metering, as creating savings towards their goals, nor should they. Such “naturally-occurring” adoption (i.e., customer-adoption without a utility-funded demand-side management program) cannot count towards a utility’s goals. Although JEA entered into a stipulation during the 2014 goals-setting proceeding that gave it a certain flexibility in counting savings from otherwise ineligible programs, JEA has not entered into any such stipulation during the 2019 goals-setting proceeding, and the prior stipulation no longer has any effect on the eligibility of JEA’s programs to count towards its goals.

Second, the Energy Efficiency Act has specific goals for increasing demand-side renewable energy (goals that have been set at zero). *See* § 366.72(2), Fla. Stat. If demand-side renewable energy systems could also count towards energy efficiency and conservation goals, they would not have a separate goal category.

Third, and most importantly, JEA has *retired* their net metering program. JEA, hence, proposes to count savings from *existing* rooftop solar customers towards its mandated goals to *increase* energy efficiency and conservation. JEA’s plan thus amounts to the admittedly reasonable assumption that current solar customers will not rip out their existing rooftop solar panels. However, existing conservation measures already installed by customers cannot legally count towards a utility’s mandated goals to *increase* energy efficiency and conservation goals. *See* § 366.82(2), Fla. Stat. (“[G]oals for *increasing* the efficiency of energy consumption . . . specifically including goals designed to *increase* the conservation of expensive resources”) (emphasis added). Otherwise, utilities could simply count the savings, for instance, of customers deciding not to remove already-installed LED lightbulbs in favor of incandescent lightbulbs. It is no less absurd—and no more legally sufficient—for a utility to announce a

“program” of expecting customers not to tear down their existing rooftop solar panels for the purposes of meeting the utility’s required energy savings goals under the Energy Efficiency Act.

Removing the net-metering “program” from JEA’s attempt to meet its Energy Efficiency Act goals show that JEA does not have an adequate plan to meet the Commission approved goals. If the existing net-metering customers are not counted towards JEA’s goals, JEA’s plan would yield only 2.398 residential GWh of savings per year (compared to a goal of 2.5 GWh), 0.0121 summer MW (commercial/industrial) (compared to a goal of 0.14 summer MW), and 0.0555 commercial/industrial GWh of savings per year (compared to a goal of 0.08 GWh). The Commission must disapprove of JEA’s plan for failing to plan to meet its legally required goals.

C. 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). JEA, in 2014, entered into a stipulation that did allow JEA to count savings from audit programs towards its goals. No party has entered such a stipulation this time. As such, JEA may not count savings from the separately mandated audit program towards its goals. *See* § 366.82(11), Fla. Stat. Again, 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, in addition to removing the savings from the retired net-metering program, shows how far JEA is falling short in its plan to achieve its residential goals. Without counting the retired net-metering program and the audit program, JEA has no programs planned for achieving its

commercial/industrial goals (and thus falls 100% short in its plan to achieve its commercial/industrial goals). The below comparison of the JEA Plan without the mandated audit program and retired net-metering program is thus omitted for the commercial/industrial segments, as all it would show is a plan for achievements of 0 GWh and 0 MW of savings, with a negative 100% difference compared to the Commission ordered goal for JEA.

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 NEM & Audits	0.771	0.771	0.771	0.771	0.771
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 NEM & Audits	0.5217	0.5217	0.5217	0.5217	0.5217
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 NEM & Audits	1.464292	1.464292	1.464292	1.464292	1.464292
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 enacts several efficiency and conservation programs that, if included in JEA's plan, would be more than sufficient to comply with JEA's mandated 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 If JEA simply amends its plan to include these existing programs with planned

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

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.

SACE urges the Commission to request that JEA to amend its plan to include these programs.

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 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); gleaning 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 most of the programs JEA has included in its current plan, like its retired net metering program, may not count towards its energy savings and conservation 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 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 April, 2020.

/s/ Bradley Marshall

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