



William P. Cox  
Senior Attorney  
Florida Power & Light Company  
700 Universe Boulevard  
Juno Beach, FL 33408-0420  
(561) 304-5662  
(561) 691-7135 (Facsimile)  
E-mail: Will.P.Cox@fpl.com

December 10, 2020

**-VIA ELECTRONIC FILING-**

Mr. Adam Teitzman  
Commission Clerk  
Florida Public Service Commission  
2540 Shumard Oak Blvd.  
Tallahassee, FL 32399-0850

**RE: Docket No. 20200000-OT – Gulf Power Company’s 2019 Demand-Side Management Annual Report – Responses to Staff’s Second Data Request (Nos. 6-9)**

Dear Mr. Teitzman:

Please find enclosed for electronic filing Gulf Power Company’s response to Staff’s Second Data Request (Nos. 6-9) on Gulf’s 2019 Demand-Side Management Annual Report.

If there are any questions regarding this filing, please contact me at (561) 304-5662.

Sincerely,

/s/ William P. Cox  
William P. Cox  
Fla. Bar No. 0093531

Enclosure

cc: Michael Barrett, Judy Harlow, Bill McNulty, Division of Economics  
Russell Badders, Esq., VP & Associate General Counsel, Gulf Power Company

**QUESTION:**

In Gulf Power Company's 2019 Annual FEECA Program Progress Report, dated February 28, 2020, the number of program participants in the Residential Energy Audits program declined in 2019, compared to 2018. In response to Staff's First Data Request, Item Number No. 1, the Company acknowledged "a decline in requests" for audits contributed to the Company not meeting its Commission-approved goals.

- a. When in 2019 did the Company recognize the "decline in requests?"
- b. What specific actions did the Company take in 2019 to address this decline?
- c. What specific actions has the Company taken in 2020 to build interest and encourage program participation in its energy audit programs?
- d. What specific actions has the Company taken in 2020 to build interest and encourage program participation in all DSM programs?

**RESPONSE:**

- a. The decline referenced in the response was related to only one of the delivery channels, the in-home channel. Due to a large increase in online audits, the overall numbers of in-home and online energy audits have increased over the past 5 years. The number of audits via the online channel has proved significantly more popular with customers, increasing from 2,142 in 2016 to over 10,000 in 2019. Gulf is estimating over 13,000 online energy audits will be completed in 2020. Gulf's online tool utilizes the customer's actual usage data in conjunction with a user-friendly questionnaire about the home to identify areas of potential savings and recommendations. These recommendations include low/no-cost ways to save as well as investment recommendations and any applicable program incentives to help offset the cost. The online tool is seamlessly integrated into the company's website allowing a customer to explore energy efficiency opportunities and other billing programs to help manage energy costs.

However, energy audits in themselves are not directly related to the number of program participants in the other Gulf DSM programs that (unlike the audits) contribute towards Goal achievement. Energy audits represent one channel Gulf utilizes to educate customers on ways to save energy, including promoting participation in its other DSM programs. However, Gulf does not require an audit as a pre-requisite for participation in the other DSM programs. A larger or smaller number of customer-requested audits from year to year is not a clear indicator of audit program performance. Gulf has consistently promoted awareness of its audit program and performs all audits in a timely manner, but the actual number of audit requests are ultimately driven by customer demand which varies from year-to-year.

- b. Recognizing the trend in customer preferences for audit delivery, the company developed in 2019 a new advertising campaign promoting the online channel and its ease of use. This campaign was delivered on multiple media platforms including television, outdoor, radio, social media and other digital media including YouTube.

The company also introduced a new initiative with area Lowe's and Home Depot stores to increase awareness of various programs including energy audits. This initiative provided notepads with tear-off sheets that were placed strategically throughout the stores in areas where energy efficient products are staged. Each sheet highlighted an energy efficiency recommendation and a call to action to the Gulf website for more information.

- c. The company developed several action plans for 2020 to build interest in and encourage participation in the energy audit program. These plans included "pop-up" events at area Lowe's and Home Depot stores where a customer advisor would provide information on all programs including energy audits and schedule audits for customers as requested. Similar on-site initiatives were planned for home expos, military base energy events, Earth Day events, and various other local civic events. Ultimately, these initiatives have been impacted by the COVID pandemic and have not occurred as planned.

In response to the COVID-driven limitations on in-person activities, the company has focused on creating awareness and participation in online and virtual in-home audits. Adjustments were made to the 2020 advertising plan to highlight the online energy audit during the early months of the pandemic as many customers were working remotely and in-person audits were suspended. The company also introduced a "virtual audit" alternative for customers who were interested in having an advisor evaluate their home and provide recommendations. These virtual audits are scheduled with a customer like an in-home audit, and the advisor conducts the evaluation over the phone with video as permitted by the customer. This audit allows for a more personal interaction with the customer while protecting both the customer and employee during the pandemic. The company also emails a monthly business newsletter to subscribing customers that includes information about energy saving strategies and how to receive an energy audit.

- d. In addition to the initiatives discussed in subpart (c) above, the company also took steps to increase engagement with area trade allies who serve as another channel for creating awareness and promotion of Gulf's programs in the marketplace, such as heating ventilation air conditioning (HVAC) contractors. For example, in the HVAC Efficiency Improvement program, the company sponsored promotions to HVAC trade allies to encourage greater participation in the Quality Install (QI) portion of the program and recruited additional certified technicians to provide services under all elements of the program. For the Residential Building Efficiency program, company program managers reached out to trade allies associated with window and roofing incentive applications to encourage their continued promotion of these programs throughout the year.

Ultimately, the most significant action taken in 2020 was to launch new programs as part of the 2020 DSM Plan. These program changes incorporated feedback Gulf advisors and program managers have received from trade allies to make the programs more appealing. For example, HVAC trade allies have indicated that new equipment incentives are more effective in creating participation than previously offered tune-up only incentives. Gulf is actively recruiting new trade allies to offer these new programs as participating independent contractors (PICs). A robust network of PICs will greatly increase the reach of these DSM programs into the marketplace.

**QUESTION:**

In response to Staff's First Data Request, Item Number No. 4, the Company acknowledged an accounting irregularity with how the advertising expense in 2019 for the Residential Energy Audit and Education program was recorded. The response also indicated the Company incurred \$93,069 in advertising expenses in 2019 associated with this program.

- a. Based on Schedule CT-3, Page 2 of 5, as filed in Docket No. 20190002-EG, the advertising expense in 2018 for the Residential Energy Audit and Education program was \$205,549. Please explain why the advertising expense for this program declined from \$205,549 in 2018 to \$93,069 in 2019.
- b. Based on Schedule CT-3, Page 2 of 5, as filed in Docket No. 20180002-EG, the advertising expense in 2017 for the Residential Energy Audit and Education program was \$248,523. Please explain why the advertising expense for this program declined from \$248,523 in 2017 to \$205,549 in 2018.

**RESPONSE:**

- a. The decrease as compared to 2018 was due to the timing of developing and placing a new advertising campaign in the marketplace. After the company was acquired by NextEra Energy on January 1, 2019, a new campaign was designed which required development of company-specific creative and video production. This creative and video production was completed late in 3<sup>rd</sup> quarter 2019 with a multi-channel campaign conducted in 4<sup>th</sup> quarter 2019. This campaign included television, radio, print, outdoor (billboard), digital (web and social media) as well as digital video (YouTube).

For 2020, the company has projected to spend \$330,000 advertising the Residential Energy Survey program.

- b. The decrease in advertising expenditures from 2017 to 2018 was improved cost efficiency from transitioning program advertising away from traditional print media to social media and other forms of online advertising. This shift allowed for a greater presence in these rapidly emerging channels while moving away from the more expensive methods that were utilized previously.

**QUESTION:**

In response to Staff's First Data Request, Item No. 1, Gulf stated that in 2020 "Gulf customer advisors will increase the frequency of in-person contact with HVAC, insulation, window, and roofing contractors to promote Gulf's DSM programs." Please provide a detailed update on this initiative.

**RESPONSE:**

As discussed in Gulf's response to Staff's Second Data Request No. 6 subpart (c), many of the initiatives planned for 2020 have been impacted by COVID-related limitations on in-person contacts. Advisors did identify and participate in outreach to over 340 trade allies providing information on Gulf programs and encouraging their participation in promoting these programs to customers. Given the COVID-related limitations, Gulf advisors have initiated the option of a virtual audit to give customers as close to an in-person experience as possible without the risk associated with physical contact.

**QUESTION:**

In response to Staff's First Data Request, Item No. 1, Gulf stated that in 2020, its Care Center staff will strive "to more aggressively seek out opportunities for in-home audits with our residential customers and on-site audits for our business customers when they call with questions regarding their monthly energy bills or seeking energy efficiency information." Please provide a detailed update on this initiative.

**RESPONSE:**

Opportunities to recommend energy audits through the Care Center primarily occur as a result of customer high bill inquiry calls. While this practice continues, we recognize that many high bill inquiries occur when a customer is at risk for electrical disconnection due to delinquent payment. For much of 2020, Gulf suspended electrical disconnections which presumably resulted in a decrease of high bill inquiry calls and therefore, opportunities to utilize this interaction to recommend an energy audit. In order to reach customers who may have traditionally contacted the company with billing inquiries, Gulf proactively identified accounts whose usage had increased by more than 30% from the previous year and sent letters with tips and recommendations for how to reduce their usage. The letter also encouraged customers to contact the company for additional information at which time an energy audit was offered. With suspension of in-home audits since mid-March, Care Center representatives also recommended "virtual audits" whereby a qualified customer advisor walks a customer through the audit process over the phone or online as permitted by the customer.

The company also distributed pamphlets containing energy efficiency tips and recommendations to local agencies that provide bill assistance to low-income customers. These pamphlets encourage customers to contact the company for additional assistance at which time a virtual energy audit is offered.