Jacob Veaughn

From:	Jacob Veaughn on behalf of Records Clerk
Sent:	Monday, February 15, 2021 8:17 AM
To:	'lonnie@igtsolar.com'
Cc:	Consumer Contact
Subject:	FW: Post Workshop Comments, Docket 20200181
Attachments:	Comment Letter–General-Final.pdf

Good Morning, Dr. Lonnie Draper

We will be placing your comments below in consumer correspondence in Docket No. 20200181 and forwarding your comments to the Office of Consumer Assistance and Outreach.

Jacob Veaughn
Commission Deputy Clerk I
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399
Jacob.Veaughn@psc.state.fl.us
850.413.6656

From: Lonnie IGT <lonnie@igtsolar.com>
Sent: Sunday, February 14, 2021 6:51 PM
To: Records Clerk <CLERK@PSC.STATE.FL.US>; Margo DuVal <mduval@psc.state.fl.us>
Subject: Post Workshop Comments, Docket 20200181

Margo Duval, Staff, Commissioners

Attached are my post workshop comments for Docket # 20200181

Thank you for the opportunity.

Sincerely,

Lonnie Draper M.D.
IGT Solar
850-933-1821
lonnie@igtsolar.com

February 15, 2021

Florida Public Service Commission
2540 Shumard Oak Blvd
Tallahassee, Florida 32399

Re: Post Workshop Comments; Docket No. 20200181

Dear Chairman Clark, Commissioners Brown, Graham,

Thank you for the opportunity to provide post-workshop comments to the Commission in the above rulemaking docket on the energy efficiency goal setting rule.

I work as a practicing emergency physician which includes the field of toxicology. As you know pollution is a major contribution to cancer and many respiratory diseases. By sheer mass, a significant contribution of disease-causing pollutants in the U.S. and Florida is from mining, transportation and burning of fossil fuels. A logical way to reduce these disease-causing pollutants is to reduce use through conservation or replacement.

The commission mission statement is "To facilitate the *efficient* provision of *safe* and reliable utility services at a fair price." I suggest that "safe" includes less disease-causing pollution. Does history suggest that the rules as currently written fulfill your mission of "efficient" and "safe"?

It is well established that energy efficiency typically costs less than investments in traditional power supply. Meaningful levels of energy efficiency promote reliability, and lower bills for all customers. Energy efficiency programs deliver substantial economic benefits to all by eliminating costly energy waste, reducing fossil fuel use and offsetting the need for new power plants, while directly driving down the cost of monthly power bills for participating individuals, families, and businesses. Helping hardworking families manage power bills has never been more important. The economic impact from the COVID pandemic has laid bare just how many families struggle to keep the lights on while still affording necessities like food, rent, and medicine.

Using energy smarter not only lowers monthly bills and the utility cost for providing power to all customers, it also generates additional economic development and creates local jobs. There are currently over 120,000 Floridians employed in helping residential and commercial customers reduce power bills.[1] The money saved on power bills through energy efficiency stays in local communities, thereby helping to further drive economic development.

In adopting the Florida Energy Efficiency and Conservation Act (FEECA) in 1980, the Florida legislature realized the economic benefits of both reducing and controlling growth rates of electricity consumption and weather-sensitive peak demand. It states that "it is critical to utilize the most efficient and cost-effective demand-side renewable energy systems and conservation systems in order to protect the health, prosperity, and general welfare of the state and its citizens."[2] It also provided that the statute should be liberally construed to meet the statute's objectives.[3]

Under the Commission's Goals for Economic Regulation, you publish a goal to "Encourage *efficiency* and *innovation* among regulated utilities." The current set of rules being discussed are unlikely to have a significant impact, as they are minimally different than prior, and history shows they have had minimal impact in the past.

Florida's performance on capturing energy savings through utility sponsored energy efficiency programs has not lived up to the intent of the Legislature or expectation of Florida families and businesses. According to the recently published 2020 American Council for and Energy Efficiency Economy (ACEEE) *State Efficiency Scorecard*, Florida finds itself near the bottom of state rankings for utility energy efficiency programs.[4] During the most recent FEECA goal setting cycle, several of the state's largest utilities filed goals of zero or near zero – including FPL, Gulf, OUC and JEA. Fortunately, the Commission rejected these proposed goals, but clearly the practices the Commission has historically used in the FEECA goal setting process are no longer serving the interests of the Commission or the citizens of the state. Florida's weak performance in energy savings is primarily due to outdated policies and practices that are substantially out of step with widely accepted approaches used in other states.[5] In fact, Florida stands alone in its use of the practices described below.

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[1] Advanced Energy Economy, 2020 Florida Advanced Energy Jobs Fact Sheet, at https://info.aee.net/florida-2020-advanced-energy-jobs-fact-sheet

[2] Section 366.81, Fla. Stat.

[3] Id.

[4] ACEEE, *State Efficiency Scorecard*, December 2020.

[5] ACEEE, *Unrealized Potential: Expanding Energy Efficiency Opportunities for Utility Customers in Florida*, January 2021.

The Commission's current goal setting rule has not been modified for over 27 years,[6] and the practices adopted by the Commission to implement the rule are now outdated and in need of reform. The two primary roadblocks to meaningful energy savings in Florida are the state's reliance on the 2-year screen and its reliance on the Rate Impact Measure (RIM) test in setting annual energy savings goals.

Under your Goal for Service Regulation, you are to "comply with established industry standards." I suggest a 27-year-old method is not "industry standards."

First, the Commission utilizes a 2-year payback to screen to eliminate measures that have a simple payback to customers of 2 years or less, on the assumption that all such measures would be implemented by customers without an efficiency program. This practice is not based on any real-life data, nor is there *any* empirical evidence to indicate that efficiency programs for such measures would not produce new savings. Therefore, it is an arbitrary practice that should be replaced with data that is supported with evaluation, measurement, and verification. This outdated practice – used only in Florida - eliminates measures that are commonly adopted in many other states. The measures eliminated by the 2-year screen are typically low cost, high impact measures that are critically important to families and small businesses in reducing power bills.

Second, the Commission has historically relied on the Rate Impact Measure (RIM) test when setting FEECA energy savings goals. Florida is the only state to rely primarily upon the RIM test, which measures energy efficiency's potential impact on utility rates and revenues, rather than evaluating its cost and benefits to the utility's system and customer bills.[7] We should not penalize efficiency measures, like AC replacement, sealing leaking AC ducts, attic insulation, or LED lighting because they achieve their stated purpose – to lower customer power bills. It is important to note that no other utility resource decision is subjected to this antiquated standard.

While the Commission has expressed an interest in serving the low-income customer segment, the FEECA-regulated utilities are not consistent in the scope and depth of their low-income programs. Some lack depth, others lack scope, and some are simply not designed in a way to meaningfully address the needs of low-income families.[8] The

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[6] Rule 25- 17.0021, F.A.C. (1993)

[7] Id at 7.

[8] *See* A Clear Divide Between Florida Utilities on Energy Efficiency, at https://cleanenergy.org/blog/a-clear-divide-between-florida-utilities-on-energy-efficiency/

revised FEECA rules should clearly specify that a significant portion of utility energy efficiency programs must be directed to low-income customers.

Lastly, the Commission should consider regulatory mechanisms that align meaningful energy savings performance with the utility business model. By coupling utility incentives to desired energy savings outcomes, the Commission can create an environment that encourages utilities to invest in energy programs that deliver significant savings to customers. The Florida Legislature provided authority to the Commission to consider performance incentive mechanisms when it amended the FEECA statute in 2008, but the Commission has yet to implement it. [9]

The Commission staff's proposed draft rule, filed with the Notice of Development of Rulemaking on December 15, 2020, does not directly address any of these fundamental underlying issues. While there may be value in considering how to better coordinate the goals setting and plan approval process, as staff proposes, it is the decades-old practices described above that consistently and predictably result in weak energy savings goals and programs that fall short of capturing the many economic benefits of energy efficiency for the state and its customers.

Therefore, we respectfully request that a second workshop be held where these core issues can be publicly discussed and addressed in the context of this rulemaking.

Much has changed in the last few decades in the realm of energy efficiency. Customer behavior has changed, as has energy efficiency technology, like smart thermostats and commercial LED lighting. Now that the FEECA rules are being revised, it is essential that the changes described above be addressed and included in the new rules. It is time Florida embraced modern policies and practices aimed at truly capturing the economic benefits of this dynamic low-cost efficiency resource.

The health and safety of our citizens could be the first goal of amending these rules.

Sincerely,

Lonnie Draper, M.D.

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[9] Sections 366.82(8), (9), Fla. Stat.