Jacob Veaughn

From: Jacob Veaughn on behalf of Records Clerk
Sent: Wednesday, July 14, 2021 5:05 PM
To: 'leighanne.boone@gmail.com'
Cc: Consumer Contact
Subject: FW: Comments Doc No: 20200181
Attachments: Sierra Club Comment Letter.pdf

Good afternoon, Leighanne Boone

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
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From: Leighanne Boone <leighanne.boone@gmail.com>
Sent: Wednesday, July 14, 2021 4:54 PM
To: Records Clerk <CLERK@PSC.STATE.FL.US>
Subject: Comments Doc No: 20200181

Good Afternoon,

Please find the Florida Chapter of the Sierra Club comments attached.

Thank you,
Leighanne

SIERRA CLUB
FLORIDA CHAPTER

July 14, 2021

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

RE: Docket No. 20200181

Dear Chairman Clark, Commissioners Graham, Faye, La Rosa, and Passidomo,

Sierra Club thanks you for the opportunity to file this comment letter on behalf of its almost 35,000 Florida members.

It is well established that energy efficiency can be the lowest cost resource available to a utility in meeting electricity demand and in moving us to a cleaner, smarter, and equitable clean energy future. The economic benefits of energy efficiency programs result in bill savings to all customers through the utility's system-wide cost savings, such as reduced fuel use and deferral of new costly power plants, but also to individual businesses and families by helping them cut energy waste and driving down power bills.

We echo comments provided by other groups about the importance of access to meaningful energy efficiency programs for hard working families. Meaningful energy efficiency programs are particularly critical for lower-income families as they face the highest energy burden - the percentage of a given household's income dedicated to paying for energy, including heating, cooling, and household electricity. Energy burden rates exceeding 6% can lead to difficult trade-offs among essential household goods like food, rent, clothing, and medicine. In Miami, 23% of all Miami households have a high energy burden, while 21% of homes in Tampa are considered energy burdened. [1]

Energy efficiency presents significant potential to protect and improve public health in Florida -- from cleaning up the air we breathe, to improving the homes, safety, and lives of our most

[1] ACEEE, Unrealized Potential, Expanding Energy Efficiency Opportunities for Customers in Florida

vulnerable. A modest ramp-up of energy efficiency programs could generate over $12 million in annual health benefits to Floridians, preventing hospital admissions due to respiratory and cardiovascular illnesses, and avoiding restricted activity and missed days of work.[2]

Yet, Florida is "leaving money on the table" both by not accessing a lower cost option like energy efficiency to meet demand, and also failing to cost-effectively help reduce energy waste and lower bills for our most vulnerable customers. Those energy savings could stay in local communities to drive economic development. According to the 2020 American Council for an Energy Efficient Economy ("ACEEE") 2020 *State Efficiency Scorecard*, Florida lands near the bottom of state rankings for capturing energy savings. During the most recent FEECA goal setting cycle, several of the state's largest utilities filed goals of zero or near zero. Zero is not a goal. This indicates that the practices utilized by the Commission in the FEECA goal setting process are no longer serving the interests of the Commission or that of hard working families. Florida's underperformance in energy savings is directly tied to efficiency practices that are almost 30 years old and are not aligned with current standard industry practice across the country. As a threshold matter, the Commission must modernize its past practices now to meet the needs of Florida's electricity customers today – including hard working families.

Roadblocks to Standard Industry Practice

The two roadblocks to meaningful energy savings are the state's continued reliance on the Rate Impact Measure (RIM) test and the 2-year screen in setting annual energy savings goals. Florida is the only state to rely primarily upon the RIM test. It is purportedly used to measure an energy efficiency measure's potential impact on consumer rates. While a consideration of rate impact is important, the RIM test is not the best tool for conducting a rate analysis, nor a system benefit. It conflates the two and does not provide the information to the Commission that is needed to balance system benefits with rate considerations when setting goals. We should not penalize efficiency measures because they achieve their purpose – which is to reduce energy use and lower customer power bills. No other utility resource is subjected to this archaic test. Let's level the playing field.

[2] ACEEE, Saving Energy, Saving Lives: The Health Impacts of Avoiding Power Plant Pollution with Energy Efficiency, at aceee.org/research-report/h1801

Secondly, the Commission utilizes a 2-year payback to screen to eliminate measures that have a simple payback to the customer of 2 years or less on the theory that customers will invest in these measures without incentives or assistance. This screening practice is not based on any real-life data that such measures are in-fact being adopted. This screen eliminates high impact, low cost measures that are critically important in lowering power bills for energy burdened families. These outdated policies are unique to Florida and eliminate measures that are commonly adopted in many other states. This leads to programs that do not meaningfully help customers reduce energy usage and save money on bills. If the Commission is concerned about bringing real-life data to the establishment of goals, then it must abandon this screen and move to using data that is evaluated, measured and verified consistent with standard industry practice.

Moreover, programs that are focused on low-income customers vary widely by utility in terms of scope and savings. The underinvestment in energy efficiency imposes a real human cost on all Florida families. We can and must do better. The current rulemaking provides a unique opportunity to change course now and modernize practices - prior to the next goal setting cycle. Taking action now will benefit both the Commission and customers.

Need for More Robust Low-income Programs that are More Consistent Across Utilities.

In addition to transitioning away from the RIM test and 2-year payback screen, the Commission should adopt a process that ensures meaningful low-income programs both in scale and depth and make the program targets consistent across utilities by setting a low income program goal. The FEECA rules provide no guidance for how the unique needs and considerations around low-income efficiency should be considered during the goal setting or program planning proceedings. Low-income households are in the greatest need of energy efficiency programs to lower their monthly bills, they also pay into the efficiency programs like everybody else. Yet they face numerous barriers to participation in efficiency programs.

Therefore, the Commission should establish by rule that energy efficiency measures bundled into low-income programs are exempt from cost-effectiveness tests and screening for so-called freeridership. That said, the Commission could still consider whether utility investments for low income programs are prudent – that is, yielding a meaningful level of savings for the money spent. As stated earlier, the Commission should ensure program offerings for low-income customers target both broad participation and deep savings - with bill reductions that meaningfully improve the financial condition of individual households with the greatest need.

In order to help achieve this goal, the Commission should set an energy savings goal for low income customers. These goals can be a percentage of total demand side management (DSM) budget or a percentage of energy savings. For instance Texas requires that a percentage of the total DSM budget go to energy efficiency programs.[3] We recommend that a minimum of 15 % of the total DSM budget be set as a goal - this investment should go to improvements in the home, not education. Alternatively, the Commission could set a low-income goal as a percentage of energy savings. We additionally propose that at minimum, one third of the funding for low income programs, or energy savings, be directed towards programs for low income renters and multifamily housing.

Lastly, we believe there would be significant value to the process through direct commissioner engagement on these issues. Therefore, we request a subsequent commissioner-led workshop as part of this rulemaking process.

Thank you again for the opportunity to provide these comments on rule revisions for achieving more cost effective energy policy outcomes that meaningfully address the needs not only for the state's most vulnerable families, but for all customers, and that move the state to a smarter and cleaner energy future.

Sincerely,

Leighanne Boone

Chair of the Florida Chapter Energy Committee

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[3] ACEEE, Making A Difference, Strategies for Successful Low Income Energy Efficiency Programs, October 2017.
https://www.aceee.org/sites/default/files/publications/researchreports/u1713.pdf