

Eerecy McNeal

From: Betty Leland
Sent: Tuesday, July 30, 2019 9:22 AM
To: Commissioner Correspondence
Subject: Mayor Rick Kriseman Letter re: Duke FEECA Docket #20190018
Attachments: MAYOR RICK KRISEMAN LETTER RE FEECA.pdf

Good Morning:

Please place the attached letter in Docket #20190018.

Thanks.

*Betty Leland, Executive Assistant to
Chairman Art Graham
Florida Public Service Commission
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(850) 413-6024*

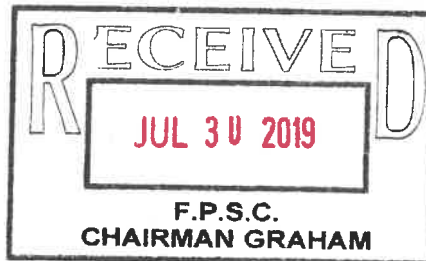


OFFICE OF THE MAYOR

CITY OF ST. PETERSBURG

RICK KRISEMAN, MAYOR

July 25, 2019



Mr. Art Graham, Chairman
Florida Public Service Commission
2540 Shumard Oak Blvd
Tallahassee, FL 32399

Re: Florida Energy Efficiency and Conservation Act (FEECA) – City of St. Petersburg comment submittal for general comment period

Docket(s): 20190018-EG (Duke Energy Florida)

Dear Chairman Graham and Members of the Florida Public Service Commission,

The City of St. Petersburg respectfully requests that the Florida Public Service Commission (PSC) adopt higher energy efficiency goals and improved program practices that will enable Florida residents and businesses to receive the benefits of lower costs, improved comfort, and increased bill stability, while positioning our state to prepare for climate change.

Energy efficiency goals should include an annual goal for Florida's largest utilities, including Duke Energy Florida (DEF), equal to, or greater than, **1.09 percent** of the previous year's electricity sales in kilowatt-hours to, at a minimum, establish parity with Duke Carolinas. The city would like to work in collaboration with Duke Energy Florida (DEF) to increase utilization of energy efficiency incentives for residential and commercial customers. In addition, the city would like to work with DEF to increase the availability and utilization of incentives that address the needs of low income households.

The City of St. Petersburg also respectfully requests that the PSC, as part of the FEECA proceeding, require Florida electric utilities to share with local governments **anonymized energy consumption data at the census block level** to allow cities and counties to effectively design

and implement their own energy efficiency programs for residents and businesses. Aggregated data such as use of the 15/15 rule is another option for sharing data without comprising privacy. The Sunshine State continues to be behind the rest of the country in addressing its contribution to greenhouse gas (GHG) emissions and resulting effects. Unlike most other states, Florida has not taken steps to set statewide GHG emission reduction goals coupled with action. In addition to climate and air quality benefits, energy efficiency projects reduce utility bills and create jobs, both of which strengthen the local economy. The State of Florida has no renewable energy standards, let alone the ambitious targets needed lead to successful action and results in terms of GHG emissions and air pollution.

Florida, and the Tampa Bay region specifically, are among the areas in the country most vulnerable to the effects of climate change. The PSC should direct the utilities it regulates to develop solutions through increased investments in energy efficiency and renewable energy as these investments have the potential to significantly improve statewide resiliency.

In order to achieve these climate, air quality, economic development, and resiliency goals and for many more reasons, the City of St. Petersburg has just unveiled its first Integrated Sustainability Action Plan (ISAP). The ISAP is an ambitious plan that prioritizes outcomes with wide-ranging benefits for all its residents and businesses. Perhaps the most critical part of the ISAP is the City's first ever GHG emissions inventory, coupled with a roadmap for how St. Petersburg will reach its goals of 100% clean energy by 2035 and an 80% GHG emissions reduction by 2050. Energy efficiency is the first priority in the City's ISAP, because it reduces the need to procure more power as well as increases the health and comfort of residents. The city sees this work having many co-benefits including continued and increased economic opportunities and racial justice outcomes in many areas of Duke territory where cities are asking for the company to be more ambitious with efficiency and solar energy goals.

In the creation of the city's clean energy "roadmap", we learned that DEF's existing and historic energy efficiency and renewable energy program efforts fall short of our aggressive goals. Yet, at this time, DEF has proposed to decrease its energy efficiency goals, slightly increase renewable energy by 9%, and reduce GHG emissions by 11% by 2030 compared to 2016-2017 levels. Considering the significant risks that Florida will face in a changing climate, these small commitments serve neither our community's goals, nor the public interest.

On the City's road to reduced GHG emissions and 100% clean energy, we are committed to bringing our partners with us. DEF is a large part of our community and the city appreciates partnering on projects and programs like the streetlight conversion, contributions for a Financial Empowerment Center, and development of a highly visible solar carport on the St. Pete Pier. However, while DEF has been and continues to be a key partner to the City, **St. Petersburg**

needs a much bolder commitment from DEF in supporting carbon reduction through energy efficiency and renewable energy.

We need to build on this work to be bolder together for our residents and businesses.

Accordingly, the City of St. Petersburg respectfully requests that you direct the following three actions for DEF:

- 1. Increase its energy efficiency goals and develop programs that can reach all customers, especially low-income customers, as part of its obligations under the Florida Energy Efficiency and Conservation Act (FEECA).** Specifically, we recommend that the Commission require Florida's largest electric utilities to adopt energy efficiency goals equal to, or greater than, 1.09 percent of the previous year's electricity sales in kilowatt-hours to bring DEF in line with Duke Carolinas. ACEEE reported that the national energy conservation savings average in 2016 and 2017 were eight (8) times higher than Florida's, and that the energy conservation rates in California, Massachusetts, Rhode Island, and Vermont were 18 – 37 times higher than Florida's.
- 2. Require Florida electric utilities to share with local governments anonymized energy consumption data at the census block level to allow cities and counties to effectively design and implement their own energy conservation programs for residents and businesses.** The city would like to work in collaboration with DEF to increase deployment of energy efficiency incentives, particularly in underserved low-income households. Communities like Chattanooga, TN, demonstrate how local governments, utilities, and local nonprofits can use data and local networks to increase participation in energy efficiency programs, creating bill savings and health improvements for customers who might otherwise be vulnerable to disconnection.
- 3. Adopt a more realistic cost-effectiveness test in place of the Ratepayer Impact Measure (RIM).** The City recognizes that this issue has been discussed in prior five-year reviews. However, the RIM test is an indicator of how prior utility investments in infrastructure are distributed—not an indicator as to whether increased efficiency investments will reduce future costs. This is an important distinction and a reason for changing to a more commonly used test, like the Total Resource Cost (TRC) test or similar. RIM tests discourage programs that save significant amounts of energy by treating lost sales as a “cost” without recognizing benefits to customers. TRC tests can also be structured to value non-energy benefits, including environmental impacts: On a related note, other states have successfully addressed these kinds of challenges by exploring ratemaking techniques like decoupling, in order to ensure that utilities are made whole while still providing customers opportunities to stabilize their bills through efficiency.

A simple exercise can demonstrate why the RIM test is an unacceptable device for measuring economic efficiency. Assume a utility with the following typical conditions:

- An average retail rate of 9 cents

- An avoided cost of additional supply of 6 cents
- An energy efficiency program that saves electricity at a cost of 2 cents per kWh

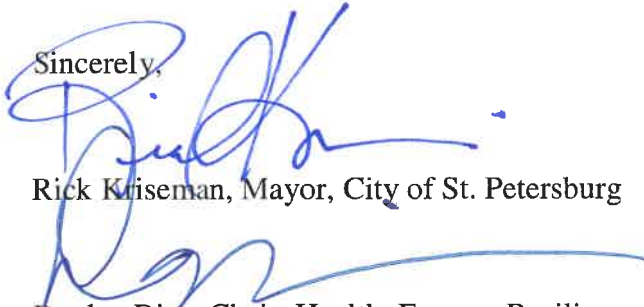
Under the RIM test, the benefits of 6 cents would be compared to the program costs of 2 cents plus the costs of the 9 cents of lost revenue, and the program would be judged not cost effective even though saving electricity in this case costs one-third as much as acquiring additional electricity. Even if the energy efficiency program was free, the program would fail the RIM.

Third, it is inconsistent and unfair to selectively apply the RIM test to energy efficiency programs, when the RIM test is not applied to supply side investments such as new power plants or new distribution system infrastructure. Those would, by definition, all fail the RIM test because they would result in some rate increase over current rates. The city would like to participate in selecting a more appropriate test for evaluating programs through the FEECA process.

Increasing energy efficiency programs can create significant benefits to residents and businesses in Florida. First, efficiency can help stabilize bills and reduce energy burden for low-income customers as well as small businesses—reduced energy bills allow for increased investment in our communities. Second, energy-efficient buildings—and those that have access to renewable energy—can be more resilient in the event of natural disasters. Third, energy efficiency can be deployed to reduce the need for increased power supply as well as peak demand. Finally, reducing fossil-fueled power supply will put Florida on the path to reducing its vulnerability to climate change through sea level rise and extreme weather.

The city appreciates this opportunity to submit comments as part of the FEECA five-year review. We hope to be helpful in setting a plan and course of action that lead Florida to greater energy efficiency and cleaner energy supply.

Sincerely,



Rick Kruseman, Mayor, City of St. Petersburg

Darden Rice, Chair, Health, Energy, Resiliency, and Sustainability City Council Committee
City of St. Petersburg

CC: Catherine Stempien, State President, Duke Energy Florida
Thomas Lowery, Wholesale/Renewable Energy Manager, Duke Energy Florida
Jeff Baker, Government and Community Relations Manager, Duke Energy Florida
Theresa Crane, Account Executive, Duke Energy Florida
St. Petersburg City Council