



September 1, 2023

Chairman Andrew Giles Fay
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

Re: Public Service Commission Workshop on 2023 Florida Power & Light (FPL) and Duke Energy Ten-Year Site Plans

Dear Chairman Fay and Members of the Florida Public Service Commission:

Thank you for the opportunity to provide these comments ahead of the Commission's workshop on September 12, 2023, to review the 2023 Ten-Year Site Plans (TYSPs) proposed by Florida Power & Light (FPL) and Duke Energy Florida.

The Southeast Sustainability Directors Network (SSDN) is a network of local governments in the Southeastern United States that works together to advance sustainability initiatives in the region.

As part of this work, SSDN supports the efforts of 32 local Florida governments¹ to:

- Mitigate the environmental, economic, and public health impacts of climate change;
- Build a healthy, sustainable future with more opportunities for economic growth;
- Reduce pollution and improve Florida's air and water quality;
- Protect public health and safety, especially of Florida's most vulnerable residents; and
- Meet ambitious climate goals.

Local governments are, individually and collectively, a unique set of stakeholders in that they are large customers due to the significant facilities they own and operate, fleet owners/operators, and stewards of the communities they serve (supporting the needs of residents and businesses within their jurisdictions). As you review the 2023 TYSPs, SSDN would like to share information with you about the energy-related decision-making practices of Florida's local governments. I hope this information provides you with helpful insights about the interests and needs of some of the state's largest energy consumers and their constituents.

Increasingly, local governments in Florida, and the rest of the Southeast, are establishing long-term sustainability goals and advancing sustainability initiatives in order to reduce emissions, scale investment in clean energy, create economic opportunities, and deliver

¹ To see a full list of SSDN Florida members, visit our website <https://www.southeastsdn.org/members/ssdn-members/>. SSDN also works with local governments in Alabama, Arkansas, Georgia, Louisiana, Mississippi, North Carolina, South Carolina, Tennessee and Virginia. In Florida, SSDN also provides some support to in addition to 30 other local governments who are members of the Florida Sustainability Directors Network (FSDN).

immediate public health benefits to their residents and businesses. The development and adoption of these goals and initiatives are typically informed by public hearings and workshops, direct engagement with local stakeholders, and inventories and assessments that identify the opportunities, strategies, and pathways to achieve more sustainable outcomes.

For instance, many local jurisdictions are adopting goals to achieve:

- An overall reduction in energy consumption;
- Carbon neutrality or a specified level of greenhouse gas (GHG) emissions reduction for their community or city/county operations by a target date (e.g., 30% GHG emissions reduction by 2030); and
- 100% renewable energy for their community or city/county operations by a target date (e.g., to power 100% of city operations with renewable energy by 2050).

Additionally, many municipalities and counties are establishing GHG inventories to measure and report the emissions of their entire communities and their local government operations. To address the needs of frontline community members, many are adopting social equity goals and establishing offices of equity and inclusion as part of their sustainability platforms. Combined, these sustainability initiatives inform climate vulnerability assessments and resilience plans that ultimately create communities resilient to extreme weather and hurricanes.

SSDN conducts an annual survey of its members to track the adoption rate of these goals and initiatives. The results of our recent member survey reveal that the majority of Florida local government members have adopted GHG mitigation targets and are measuring and reporting their GHG emissions.² SSDN's Florida members had the highest adoption of GHG mitigation targets and measurement of GHG emissions than any other state membership. The 2022 survey found that:

- 62% of SSDN's Florida members have adopted a GHG mitigation target for their city or county operations;
- 58% of SSDN's Florida members have adopted a GHG mitigation target for their community;
- 75% of SSDN's Florida members are measuring and reporting GHG emissions for their city or county operations, with another 16% working towards this goal; and
- 62% of SSDN's Florida members are measuring and reporting GHG emissions for their community, with another 8% working towards this goal.

In order to deliver upon these goals, Florida local governments are prioritizing numerous strategies, including the following efforts:

- Implementation of demand side management measures in city/county operations;

² 24 of the 32 Florida members responded to the 2022 SSDN Annual Survey.

- Promotion of energy efficiency within their communities, including in residences, multifamily buildings, and commercial spaces;
- Installation of solar systems on local government-owned facilities;
- Expansion of community-wide access to renewable energy, including community solar offerings;
- Integration of on-site storage (e.g., batteries); and
- Adoption of electrified transport in their communities and in their own fleets.

As some of the utilities' largest customers and good stewards of taxpayer dollars, local governments are acutely aware of the role that clean energy investments can play in keeping energy-related operating costs reasonable and predictable over the long term while delivering significant economic benefits in terms of ratepayer costs as well as public and environmental health, resilience, and other non-energy benefits. Despite these robust efforts, local governments are often constrained in how much they can do to reduce their total GHG emissions and total expenditure on electricity since they have limited ability as customers to choose the sources of energy that power Florida's electricity grid and the services that Florida's electric utilities offer. They are similarly constrained in increasing the resilience of their facilities from an energy perspective.

Some key concerns of local governments relative to the TYSPs include:

- Stranding existing energy infrastructure assets at the expense of ratepayers;
- Relying heavily on technologies that are as yet unproven at a commercial scale (such as hydrogen and small-modular nuclear reactors) to replace fossil fuel electricity generation (these innovative technologies should be piloted in the near term);
- Underestimating potential impacts to energy demand with projected demand side management potential and electric vehicle (EV) penetration rates;
- Uncertainty regarding the severity of future storms and extreme weather when planning grid resilience and updates; and
- Plans of the utilities to take full advantage of federal funding opportunities to update the Florida grid with proven, affordable, and zero-emission energy generation technology that minimizes ratepayer impacts.

SSDN members recognize that generation and transmission decisions are typically examined through a robust integrated resource planning (IRP) process in other states. The IRP processes implemented in other states are critical for local governments and other stakeholders to engage with their utility regulators and service providers to:

- Gain insights into the long-term plans for the electricity system;
- Understand the key environmental, social, reliability, cost, and risk factors that shape decision-making;
- Identify opportunities to achieve lower overall system costs;
- Leverage relevant partnership opportunities; and
- Foster an open dialogue among key stakeholders.

While a traditional IRP process does not currently exist in Florida, SSDN and its members encourage a robust evaluation of proposed TYSPs to work towards generation planning decisions that reflect the climate goals, energy preferences, and other public interests and concerns of Florida's local communities.

Accordingly, I am pleased to present the attached list of questions to consider as you evaluate the suitability of each utility's TYSP. I hope these questions provide some additional perspective on the interests of local governments as it relates to their utility service providers.

Thank you for your consideration of my comments. I welcome the opportunity to discuss this more and share additional information as appropriate. SSDN is also available to facilitate meetings directly with you and Florida's local governments.

Please do not hesitate to contact me at 423-416-0839 with any questions.

Respectfully,

A handwritten signature in black ink, appearing to read 'Meg J.', with a stylized flourish at the end.

Meg Jamison
Director
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Questions for the Public Service Commission to Consider in the Evaluation of the 2023 TYSPs

Benchmarking Towards Sustainability Goals

1. Many large energy users, including local governments, are setting commitments to power their operations and communities with 100% renewable energy and/or carbon-free electricity, enable transportation electrification, and invest in energy efficiency. How have these commitments and preferences for clean energy been accounted for in each TYSP?
2. To what extent will the implementation of each TYSP make progress toward the achievement of 100% carbon-free electricity by 2050?

Customer Cost

3. To what extent will implementing each TYSP expose customers to gas price volatility now and in the future? Despite advances in the fuel efficiency of fossil-fueled generating units, do the resource decisions proposed in each TYSP increase or decrease this exposure risk? What steps can be taken to mitigate this risk?
4. Do the gas price forecasts and related sensitivities incorporated in each TYSP capture the full range of recent gas costs?
5. While local governments support innovation and the use of pilots to evaluate new technologies, to what extent will implementing each TYSP expose customers to the risk of significant future stranded assets, especially with technologies that are as yet unproven at a commercial scale? What steps can be taken to mitigate this risk?
6. Does each TYSP maximize investment in least-cost energy efficiency and demand reduction across all customer segments in order to reduce total energy costs for all customers? Will the TYSPs account for an expansion of programming in this area?
7. Has each utility proposed an optimal planning reserve margin? What strategies, such as reserve sharing, have been evaluated to reduce customer costs while ensuring grid reliability?

Federal Funding

8. The Department of Energy launched its Building a Better Grid Initiative designed to catalyze the nationwide development of new and upgraded high-capacity electric transmission lines and support investments to modernize the flexibility and resilience of the distribution system. To what extent will each TYSP explore utilizing this and other federal support options?
9. Will the TYSPs account for potential support from the Transmission Siting and Economic Development grant program led by the Department of Energy's Grid Deployment Office?

Demand Side Management

10. Does each utility's load forecast clearly and accurately delineate energy-saving contributions by customer segment, sector, and strategy, including from building energy codes, appliance standards, energy benchmarking, building performance standards, and previously implemented energy efficiency programs in order to ensure that each utility is fully accounting for the impacts of the demand side management resource?

EV Modeling

11. What electric vehicle (EV) penetration rates do each utility expect over the next 5-to-10 years? How are these penetration rates impacted by various levels of policy and program interventions? What are the energy demand and load effects associated with these various projections/scenarios? How do these projections model and account for travel behavior, charging behavior, and spatially explicit EV penetration scenarios, including the effects rate designs and the penetration of Levels 1, 2, and 3 charging, and the timing of such charging? How can we leverage EVs as a possible grid resource with vehicle-to-grid (V2G) or vehicle-to-building interoperability, and what opportunities exist for electricity load management associated with V2G technologies?

Winter and Summer Peak Demand

12. As it relates to winter peak demand, to what extent are the lessons learned from the 2022 winter blackouts in North Carolina, Tennessee, and other parts of the Southeast applicable or not to the Florida power system and substate regions of Florida? What underlying data supports these conclusions? What are the trade-offs and related costs of winterizing the power grid? Who should bear those costs? What is the risk of a prolonged extreme winter weather event in FL?