

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition for approval of demand-side
management plan, by JEA.

DOCKET NO. 20200057-EG
ORDER NO. PSC-2020-0200-PAA-EG
ISSUED: June 24, 2020

The following Commissioners participated in the disposition of this matter:

GARY F. CLARK, Chairman
ART GRAHAM
JULIE I. BROWN
DONALD J. POLMANN
ANDREW GILES FAY

NOTICE OF PROPOSED AGENCY ACTION
ORDER APPROVING JEA'S DEMAND-SIDE MANAGEMENT PLAN

BY THE COMMISSION:

NOTICE is hereby given by the Florida Public Service Commission that the action discussed herein is preliminary in nature and will become final unless a person whose interests are substantially affected files a petition for a formal proceeding, pursuant to Rule 25-22.029, Florida Administrative Code (F.A.C.).

Background

Enacted in 1980, Sections 366.80 through 366.83, and 403.519, Florida Statutes (F.S.), known collectively as the Florida Energy Efficiency and Conservation Act (FEECA), requires the Florida Public Service Commission (Commission or PSC) to adopt conservation goals to increase the efficiency of energy consumption. Additionally, FEECA emphasizes reducing the growth rates of weather-sensitive peak demand, reducing and controlling the growth rates of electricity consumption, reducing the consumption of expensive resources such as petroleum fuels, and encouraging demand-side renewable energy resources. This Commission most recently established conservation goals by Order No. PSC-2019-0509-FOF-EG, issued November 26, 2019 (2019 Goalsetting Order).¹ We found that it was in the public interest to

¹ Order No. PSC-2019-0509-FOF-EG, issued November 26, 2019, Docket No. 20190015-EG, *In re: Commission review of numeric conservation goals (Florida Power & Light Company)*, Docket No. 20190016-EG, *In re: Commission review of numeric conservation goals (Gulf Power Company)*, Docket No. 20190017-EG, *In re: Commission review of numeric conservation goals (Florida Public Utilities Company)*, Docket No. 20190018-EG, *In re: Commission review of numeric conservation goals (Duke Energy Florida, LLC)*, Docket No. 20190019-EG, *In re: Commission review of numeric conservation goals (Orlando Utilities Commission)*, Docket No. 20190020-EG, *In re: Commission review of numeric conservation goals (JEA)*, and Docket No. 20190021-EG, *In re: Commission review of numeric conservation goals (Tampa Electric Company)*.

continue with the goals established in the prior FEECA goalsetting proceeding for the period 2015 through 2024, which were established by Order No. PSC-14-0696-FOF-EU (2014 Goalsetting Order).²

Pursuant to Section 366.82(7), F.S., after goals are established, this Commission must require each utility to develop Demand-Side Management (DSM) Plans to meet the conservation goals. Rule 25-17.0021(4), Florida Administrative Code (F.A.C.), requires that DSM Plans be filed within 90 days of the order establishing goals. Therefore, new DSM Plans were required to be filed by February 24, 2020.

On February 24, 2020, JEA filed a petition requesting approval of its DSM Plan. As part of this filing, JEA provided a cost-effectiveness analysis of the proposed programs pursuant to Rule 25-17.008, F.A.C. These include the Rate Impact Measure (RIM) Test, the Total Resource Cost (TRC) Test, and the Participants Test.

On April 30, 2020, JEA filed an amended petition for approval of its DSM Plan. The primary change was the removal of the net metering programs for each customer class and the addition of a commercial lightning program. This Order addresses the amended petition, rather than the original February 24, 2020, petition.

We have jurisdiction over this matter pursuant to Sections 366.80 through 366.83 and 403.519, F.S.

Decision

The criteria used to review the appropriateness of the conservation programs are: (1) whether the program advances the policy objectives of FEECA and its implementing rules; (2) whether the program is directly monitorable and yields measurable results; and (3) whether the program is cost-effective.³

Description of DSM Plan

JEA's DSM Plan consists of five programs in total, three residential and two commercial. Each of the programs were previously offered through JEA's 2015 DSM Plan, except one,

² Order No. PSC-14-0696-FOF-EU, issued December 16, 2014, Docket No. 20130199-EI, *In re: Commission review of numeric conservation goals (Florida Power & Light Company)*, Docket No. 20130200-EI, *In re: Commission review of numeric conservation goals (Duke Energy Florida, Inc.)*, Docket No. 20130201-EI, *In re: Commission review of numeric conservation goals (Tampa Electric Company)*, Docket No. 20130202-EI, *In re: Commission review of numeric conservation goals (Gulf Power Company)*, Docket No. 20130203-EM, *In re: Commission review of numeric conservation goals (JEA)*, Docket No. 20130204-EM, *In re: Commission review of numeric conservation goals (Orlando Utilities Commission)*, and Docket No. 20130205-EI, *In re: Commission review of numeric conservation goals (Florida Public Utilities Company)*.

³ PSC Order No. 22176, issued November 14, 1989, Docket No. 19890737-PU, *In re: Implementation of Section 366.80-.85, F.S., Conservation Activities of Electric and Natural Gas Utilities*.

Commercial Prescriptive Lighting. The program was previously offered voluntarily as a conservation program by JEA and did not count towards achieving annual conservation goals. Several of these programs have been modified to update values for participation and savings. Two noteworthy modifications are: (1) the rebate for the residential solar water heating program is decreasing from \$800 to \$400, which is the only program rebate being modified; and, (2) the Neighborhood Energy Efficiency program is being expanded to include an additional service whereby JEA provides blown-in attic insulation to bring the home's insulation value up to an R38-value at no cost to the owner, which averages about 150 upgrades per year.

As required by Rule 25-17.003, F.A.C., JEA's DSM Plan continues to offer energy audits to residential customers, and JEA also continues to voluntarily offer audits to commercial/industrial customers. Table 1 provides a complete list of the programs and a brief description of each can be found in Attachment A.

Table 1
JEA DSM Plan Program Listing

Program Name	Program Status		
	Existing	Modified	New
Residential Programs			
Residential Energy Audits	X		
Residential Solar Water Heating	X	X	
Neighborhood Efficiency	X	X	
Commercial/Industrial Programs			
Commercial Energy Audits	X		
Commercial Prescriptive Lightning	X		

Source: Document No. 02304-2020

Program Savings

Our staff reviewed seasonal peak demand and annual energy savings for the programs. JEA estimates and measures savings by a program using a combination of methodologies, including site-specific engineering estimates as the most cost-effective method of evaluating program impacts. As required by Rule 25-17.003(10), F.A.C., JEA will conduct inspections of at least 10 percent of program installations to verify that installations were performed and meet quality standards.

As part of the 2014 Goalsetting Order, JEA's goals were established by stipulation that included JEA's estimated savings from continuing its existing programs, including behavioral savings for audits. While we do not find that behavioral savings shall be counted towards goals for the other FEECA utilities, consistent with the stipulation agreed to by the 2014 Goalsetting Order, JEA's audit behavioral savings should count towards its FEECA conservation accomplishments.

Comparison of DSM Plan to Goals

Based on our staff's review, JEA's DSM Plan will meet or exceed each of the established annual goals. The seasonal demand and energy savings associated with JEA's DSM Plan and our established goals are summarized in Table 2 and Table 3 for residential and commercial/industrial sectors, respectively.

Table 2
Commission's Residential Goals vs. JEA's DSM Plan

Year	Summer (MW)		Winter (MW)		Annual Energy (GWh)	
	Goal	DSM Plan	Goal	DSM Plan	Goal	DSM Plan
2020	0.94	1.31	0.96	1.06	2.50	2.55
2021	0.94	1.31	0.96	1.06	2.50	2.55
2022	0.94	1.31	0.96	1.06	2.50	2.55
2023	0.94	1.31	0.96	1.06	2.50	2.55
2024	0.94	1.31	0.96	1.06	2.50	2.55
Total⁴	4.70	6.56	4.80	5.30	12.5	12.75

Source: Document No. 02304-2020

Table 3
Commission's Commercial/Industrial Goals vs. JEA's DSM Plan

Year	Summer (MW)		Winter (MW)		Annual Energy (GWh)	
	Goal	DSM Plan	Goal	DSM Plan	Goal	DSM Plan
2020	0.140	0.180	0.007	0.093	0.08	0.093
2021	0.140	0.180	0.007	0.093	0.08	0.093
2022	0.140	0.180	0.007	0.093	0.08	0.093
2023	0.140	0.180	0.007	0.093	0.08	0.093
2024	0.140	0.180	0.007	0.093	0.08	0.093
Total⁵	0.700	0.900	0.035	0.465	0.04	0.465

Source: Document No. 02304-2020

The values presented above are projections based upon participation rates which may or may not occur. JEA will be responsible for monitoring actual participation rates. JEA is a municipal utility and its local governing body will decide if it is necessary to modify, add, or remove programs.

We are required by Section 366.82(10), F.S., to provide an annual report to the Governor and Legislature on the progress of each utility toward meeting the established goals. Rule 25-

⁴ Totals may not equal due to rounding.

⁵ Totals may not equal due to rounding.

17.0021(5), F.A.C., requires JEA to submit an annual report no later than March 1 of each year summarizing the achieved results of its DSM Plan. Our staff will continue to monitor and report the actual amount of DSM savings each year, on an annual and cumulative basis, as part of the FEECA Report. We will address JEA's goal achievements if the utility files a determination of need for new generation pursuant to Section 403.519, F.S.

Based on Table 2 and Table 3, JEA's 2020 DSM Plan is projected to exceed the established FEECA policy goals set by this Commission. The programs are all monitorable and the results are measurable.

Cost-Effectiveness Review

As required by Rule 25-17.008, F.A.C., JEA provided a cost-effectiveness analysis of the proposed programs using the RIM Test, the TRC Test and the Participants Test. Our last established goals were not based upon any particular cost-effectiveness test. Rather, we found that it was in the public interest to continue with the goals established in the prior FEECA goalsetting proceeding for the period 2015 through 2024, which were based on an economic analysis conducted in 2015. The assumptions associated with JEA's avoided costs and the results of the cost-effectiveness analysis are addressed below.

Avoided Costs

All avoided capacity additions were modeled as a series of natural gas-fired simple cycle combustion turbines, with projected in-service dates of 2036, 2038, 2040, and 2043. JEA's avoided units are consistent with the utility's filings in the 2019 Goalsetting Proceeding in Docket No. 20190020-EG.

Cost-Effectiveness Test Results

The cost-effectiveness analysis of JEA's demand-side programs shows that none are cost-effective under the RIM and Participants Test combined, and only its commercial programs are cost-effective under the TRC and Participants Tests combined. For municipal utilities such as JEA, local decisions fall within the jurisdiction of JEA's governing body regarding the investment in energy efficiency that best suits local needs and values. Accordingly, as we have recognized in prior proceedings, it is appropriate to defer to municipal utilities' governing bodies to determine the level of investment if measures are not cost-effective.⁶

⁶ Order No. PSC-15-0324-PAA-EG, issued, August 11, 2015, Docket No. 20150087-EG, *In re: Petition for approval of modifications to demand-side management plan by JEA.*

Table 4
JEA Cost-Effectiveness Test Results by Program

Program Name	RIM Test	TRC Test	Participants Test*
Residential Programs			
Residential Energy Audits	0.28	0.49	∞
Residential Solar Water Heating	0.46	0.39	0.82
Neighborhood Efficiency	0.41	0.99	∞
Commercial Programs			
Commercial Energy Audits	0.64	1.32	∞
Commercial Prescriptive Lighting	0.69	1.69	2.91

* A Participants Test score may result in infinity (∞) if there are no costs to participants.

Source: Document No. 02304-2020

Rate Impact

The costs to implement the programs within JEA's DSM Plan would be established by the municipal utility's governing body. Overall, the DSM programs are a small amount of the customer's bill. Table 5 below is an estimate of the monthly bill impact on the typical residential and commercial customer over a five-year period. The estimated costs are based upon participation rates and administrative costs used in the cost-effectiveness analysis. Much like investments in generation, transmission, and distribution, investments in energy efficiency have an immediate rate impact, but may produce savings over time.

Table 5
JEA Estimated Monthly Bill Impact of Proposed DSM Plan

Year	Residential Customer 1,200 kWh/mo
	Monthly Bill Impact (\$)
2020	\$0.05
2021	\$0.08
2022	\$0.10
2023	\$0.13
2024	\$0.15

Source: Document No. 02304-2020

JEA's DSM Plan is projected to meet or exceed the annual numeric conservation goals approved by this Commission in the 2019 Goalsetting Order. JEA's 2020 DSM Plan is a continuation, with some modifications, of its DSM Plan that we approved in 2015 or voluntary programs taken outside of its DSM Plan. While JEA's DSM Plan is not projected to be cost-effective based upon the RIM Test, we approve JEA's continuance of its programs given JEA's status as a municipal utility. JEA's local governing body will make its own determination as to whether expenditures are reasonable and prudent and will decide if it is necessary to modify and or remove programs.

Finally, JEA shall file its administrative program standards for all programs within 30 days of the Consummating Order being issued in this docket. We grant our staff administrative authority to review and approve these standards.

Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that JEA's demand-side management programs are approved. It is further

ORDERED that JEA's demand-side management plan is projected to meet or exceed the annual numeric conservation goals. It is further

ORDERED that the provisions of this Order, issued as proposed agency action, shall become final and effective upon the issuance of a Consummating Order unless an appropriate petition, in the form provided by Rule 28-106.201, Florida Administrative Code, is received by the Commission Clerk, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, by the close of business on the date set forth in the "Notice of Further Proceedings" attached hereto. It is further

ORDERED that if no person whose substantial interests are affected by the proposed agency action files a protest within 21 days of the issuance of this order, a Consummating Order shall be issued in this docket and any programs approved herein shall become effective on the date of the Consummating Order. It is further

ORDERED that if a protest is filed within 21 days of the issuance of this order, the programs approved herein shall not be implemented until after the resolution of the protest. It is further

ORDERED that JEA shall file its administrative program standards for all programs within 30 days of issuance of the Consummating Order in this docket, and Commission staff is granted administrative authority to review and approve these standards. It is further

ORDERED that this docket shall be closed administratively upon Commission staff's approval of JEA's program standards.

By ORDER of the Florida Public Service Commission this 24th day of June, 2020.



ADAM J. TEITZMAN
Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399
(850) 413-6770
www.floridapsc.com

Copies furnished: A copy of this document is provided to the parties of record at the time of issuance and, if applicable, interested persons.

GAP

NOTICE OF FURTHER PROCEEDINGS OR JUDICIAL REVIEW

The Florida Public Service Commission is required by Section 120.569(1), Florida Statutes, to notify parties of any administrative hearing that is available under Section 120.57, Florida Statutes, as well as the procedures and time limits that apply. This notice should not be construed to mean all requests for an administrative hearing will be granted or result in the relief sought.

Mediation may be available on a case-by-case basis. If mediation is conducted, it does not affect a substantially interested person's right to a hearing.

The action proposed herein is preliminary in nature. Any person whose substantial interests are affected by the action proposed by this order may file a petition for a formal proceeding, in the form provided by Rule 28-106.201, Florida Administrative Code. This petition must be received by the Office of Commission Clerk, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, by the close of business on July 15, 2020.

In the absence of such a petition, this order shall become final and effective upon the issuance of a Consummating Order.

Any objection or protest filed in this/these docket(s) before the issuance date of this order is considered abandoned unless it satisfies the foregoing conditions and is renewed within the specified protest period.

JEA 2020 DSM Plan

Residential Programs

Residential Energy Audits

The Utility's Auditors examine homes, educate customers and make recommendations on low-cost or no-cost energy-saving practices and measures.

Residential Solar Water Heating

The Utility pays a financial incentive to customers to encourage the use of solar water heating technology.

Maximum Incentive: Up to \$400

Neighborhood Efficiency

The Utility offers to educate consumers on the efficient use of energy and water as well as the direct installation of an array of energy and water efficient measures at no cost to income qualified customers.

Commercial Programs

Commercial Energy Audits

The Utility's Auditors examine businesses, educate customers, and make recommendations on low-cost or no-cost energy-saving practices and measures.

Commercial Prescriptive Lighting

The Utility promotes the use of energy efficient lighting by offering a rebate for qualifying lighting equipment.