

**IN RE: COMMISSION REVIEW OF NUMERIC CONSERVATION GOALS
FOR ORLANDO UTILITIES COMMISSION,
DOCKET NO. 20190019-EG**

**REBUTTAL TESTIMONY OF KEVIN M. NOONAN
ON BEHALF OF ORLANDO UTILITIES COMMISSION**

I. INTRODUCTION

1

2 **Q. Please state your name and business address.**

3 A. My name is Kevin M. Noonan, and my business address is Orlando Utilities
4 Commission, Reliable Plaza at 100 West Anderson, Orlando, Florida 32801.

5 I am employed by the Orlando Utilities Commission (“OUC”) as Director of
6 Legislative Affairs.

7

8 **Q. Have you previously submitted testimony in this docket?**

9 A. Yes. I submitted direct testimony on behalf of OUC on April 12, 2019, in
10 which I described OUC, our electric system, and our customer base, which
11 is proportionately more low-income than most other Florida utilities. I also
12 generally described our Demand-Side Management (“DSM”) and energy
13 conservation programs and initiatives, as well as our extensive support and
14 implementation of solar energy projects that serve our customers. I also
15 explained why, with full consideration of our system and our customer base,
16 the Commission should not establish any numeric goals for OUC in these
17 proceedings.

1 **II. PURPOSE AND SUMMARY OF TESTIMONY**

2 **Q. What is the purpose of your rebuttal testimony in this docket?**

3 A. I am submitting this rebuttal testimony to rebut mischaracterizations of
4 OUC's energy conservation programs, particularly our programs and
5 measures that serve low-income customers, that were made by Mr. Forest
6 Bradley-Wright on behalf of the Southern Alliance for Clean Energy
7 ("SACE").

8
9 **Q. Please summarize the main points of your rebuttal testimony.**

10 A. Mr. Bradley-Wright's testimony inaccurately criticizes OUC's low-income energy
11 conservation program efforts, based on a single year's reported value for one
12 program, and presents an incomplete and inaccurate mischaracterization of OUC's
13 energy efficiency and energy savings efforts directed toward serving low-income
14 customers. The performance of one program for one year is not remotely indicative
15 of the total package of OUC's efforts and achievements in providing and promoting
16 energy efficiency for and by low-income customers served by OUC.

17
18 **III. REBUTTAL OF BRADLEY-WRIGHT'S TESTIMONY**

19 **Q. In his testimony filed on June 10, SACE's witness Forest Bradley-Wright**
20 **criticized OUC because our reported participation in one of OUC's DSM**
21 **programs declined significantly from 2017 to 2018. Is this a fair criticism?**

22 A. No. Mr. Bradley-Wright alleges that "FPL and OUC had by far the worst
23 performance in both absolute and proportionate terms" relative to other FEECA

1 utilities. (Bradley-Wright Testimony at page 3.) With respect to OUC, his
2 testimony is based on a reported decline in participation in one of OUC's DSM
3 programs and an associated incomplete, inaccurate, and misleading
4 characterization – actually a mis-characterization – of our low-income energy
5 efficiency efforts and achievements based on incomplete analysis (comparison of
6 one program's results to his own proposed goals, which are themselves unsupported
7 by any cost-effectiveness analysis). This is not a fair criticism of OUC's efforts
8 and achievements in delivering energy conservation measures and services to low-
9 income customers. OUC has implemented many efforts, including formal DSM
10 programs and measures and other effective offerings outside the scope of formal
11 DSM plan-type programs, that directly and substantially benefit low-income
12 customers and benefit OUC's system and the Orlando community, and OUC is
13 continuing to develop and implement additional measures and efforts.

14
15 **Q. Please summarize OUC's approach to achieving energy savings for and by**
16 **low-income customers.**

17 A. At the outset, OUC recognizes that a substantial percentage of OUC's customer
18 base has relatively lower incomes, approximately 33% of households with incomes
19 below \$35,000 per year in 2019, and that many of OUC's customers are renters.
20 With this recognition, OUC acts to help low-income customers through many
21 efforts and with many partners, through significant efforts to promote energy
22 efficiency and thus savings for our low-income customers as well as basic support
23 of these customers' energy needs.

1 In developing, designing, and implementing formal DSM programs and
2 other energy conservation and related programs and measures for low-income
3 customers and for all OUC customers, OUC considers the following: whether the
4 program will be particularly beneficial to low-income participants; whether the
5 program is meaningfully accessible to low-income customers, i.e., within their
6 means to take advantage of the program; whether the program will provide
7 meaningful energy savings benefits and peak demand reduction benefits, to the
8 extent applicable; potential impacts on the rates paid by all of OUC’s customers,
9 which naturally includes the degree to which the program involves subsidies of
10 program participants by all customers. Note, however, that OUC does not address
11 this last criterion or consideration by a rigid application of the RIM test; OUC has
12 programs and measures available to low-income customers that do not pass the
13 conventional RIM test, but OUC implements these programs and measures in the
14 general public interest, with due consideration of the particular needs of low-
15 income customers, rate impacts on all customers, and the energy savings benefits
16 to be provided by the program or measure.

17

18 **Q. Please summarize OUC’s conservation programs and other efforts and**
19 **activities that promote and support energy conservation and the energy needs**
20 **of OUC’s low-income customers.**

21 A. Among OUC’s activities, efforts, and program offerings are the following.

- 22 ● Partnership with The Central Florida Foundation to help educate customers and
23 to fund energy and water efficiency upgrades.

- 1 ● Project CARE, OUC’s utility assistance fund.
- 2 ● Extensive outreach efforts through neighborhood meetings and community
- 3 events.
- 4 ● Efficiency Delivered Program.
- 5 ● Home Energy Reports – reaches 50,000 customers every other month.
- 6 ● Multifamily Efficiency Program.
- 7 ● Power Pass Program – 10,700 current participants.
- 8 ● Creating energy efficient, sustainable, affordable housing – the New Horizons
- 9 Apartment Complex.
- 10 ● Conservation Kits.

11

12 **Q. Please describe OUC’s partnership with The Central Florida Foundation and**
13 **how it will promote energy and water efficiency.**

14 A. OUC is partnering with The Central Florida Foundation, Inc. to help revitalize
15 communities, educate customers and fund energy & water efficiency upgrades.
16 The Central Florida Foundation has established the Central Florida Regional
17 Housing Trust (CFRHT) as a land trust designed to acquire residential dwellings
18 with the purpose of neighborhood revitalization without gentrification. The first
19 community that the CFRHT plans to focus on is Orlando’s historic Parramore
20 community—where the median household income is just \$15,000 and the
21 unemployment rate is 23.8%. Through the partnership, OUC will:

- 22 ● Fund energy & water efficiency upgrades greater than code
- 23 requirements to the 83 residential units;

- 1 • Provide residential energy audit and education after construction;
- 2 • Conduct measurement and verification of energy & water
- 3 efficiency upgrades;
- 4 • Develop additional cost-saving programs; and
- 5 • Provide community education through a neighborhood advisory
- 6 council.

7

8 **Q. Please describe Project CARE.**

9 A. Project CARE is OUC’s financial assistance program that assists customers who
10 are having difficulties paying their utility bills. It provides emergency assistance
11 to those in our community who have experienced a recent personal or family crisis
12 that has placed them in danger of losing their utility service. All funds for the
13 program are collected by OUC and turned over to Heart of Florida United Way, a
14 local, non-profit community assistance agency. OUC customers who need
15 assistance call United Way at 2-1-1. United Way will then help the customers
16 locate an agency near their home so that eligibility and need can be determined.
17 Under the program, a household can receive a maximum benefit of \$500 in a one-
18 year period. It is not the intent of the program to pay chronic or long-term debt, but
19 to assist those who are experiencing temporary financial hardship. Customers can
20 contribute to Project CARE by adding \$1, \$2, \$5, or a specified amount to their
21 monthly utility bill. Project CARE raises thousands of dollars each year through
22 customer donations that are matched by OUC. For every \$1 donated by customers,
23 OUC contributes \$2 to the program. Since its inception in December of 1994,

1 Project CARE has raised more than \$2 million, helping thousands of families and
2 individuals in need.

3

4 **Q. Please summarize OUC’s outreach efforts to inform and educate low-income**
5 **customers about energy conservation programs offered by OUC as well as**
6 **other energy savings opportunities that OUC supports outside the scope of**
7 **formal DSM Plan-type programs.**

8 A. OUC reaches out to our low-income customers in many additional ways.
9 For example, in the fall of 2018, OUC initiated a series of “Fall Into Savings”
10 Neighborhood Meetings within our service territory to share tips and programs
11 available to help customers save on their utility bills. More than 400 customers
12 attended these meetings, where they had the opportunity to learn more about
13 various tips and efficiency programs like our Efficiency Delivered program.
14 Attendees also had the chance to win raffle prizes that helped with home efficiency
15 upgrades. As a result of these meetings, OUC scheduled 118 audits and performed
16 efficiency upgrades on 23 premises.

17 Further, in 2018, conservation specialists attended community events and
18 disseminated information on conservation programs. Below is a sampling of events
19 in which the OUC Sustainability and Community Relations Departments
20 participated.

- 21 • National Agriculture Day in St. Cloud
- 22 • Neighborhood & Community Summit
- 23 • Green Economy Summit

- 1 • Winter Park Earth Day
- 2 • Lake Eola Earth Day
- 3 • AAGO Trade Show
- 4 • Florida Fair Housing Summit
- 5 • Orange County Community Conference
- 6 • Fall Plant and Garden Festival
- 7 • Hispanic Business and Consumer Expo
- 8 • St. Cloud Life Expo

9 In addition to the outreach activities described above, OUC is proud to be a
10 strong community partner supporting the efforts of numerous non-profit
11 organizations that directly benefit low-income customers. Organizations
12 with whom OUC partners to provide these benefits include the following:
13 Boys and Girls Club of Central Florida, Central Florida Urban League,
14 Christian Service Center, After School All-Stars, City Year Orlando, Feeding
15 Children Everywhere, Heart of Florida United Way, and Seniors First,

16
17 **Q. Please describe the Efficiency Delivered program.**

18 A. OUC's Efficiency Delivered program is, objectively, a very generous DSM
19 program designed to promote energy conservation by low-income customers. Our
20 Efficiency Delivered program provides up to \$2,000 of energy and water efficiency
21 upgrades for the home. Eligible measures include the following:

- 22 • Air filter replacement
- 23 • Attic insulation

- 1 ● Caulking and weather stripping
- 2 ● Duct leak repairs
- 3 ● Hot water pipe insulation
- 4 ● Irrigation repairs
- 5 ● Minor plumbing repairs
- 6 ● Toilet replacement
- 7 ● Water flow restrictors
- 8 ● Window film installation

9
10 For those households that have a family income of less than \$40,000, OUC pays
11 85% of the cost. The remaining 15% can be paid back through the OUC monthly
12 utility bill over 12 monthly installments, interest free. Households with greater
13 incomes can participate on a sliding-scale basis, with OUC paying lower
14 percentages for households with greater incomes.

15

16 **Q. Please describe the Home Energy Report.**

17 A. Over the past several years OUC has been providing approximately 50,000
18 customers with bi-monthly energy and water reports that provide them with
19 information on their consumption use and opportunities to become more efficient
20 and reduce costs.

21

22 **Q. Please describe the Multifamily Efficiency Program.**

23 A. About 50% of OUC’s residential population live in multifamily dwellings, and
24 many are likely low-income. Historically, the multifamily segment has been

1 difficult to gain DSM participation primarily due to the “split incentive” barrier
2 where the landlords do not pay the electric bills and the renters do not want to
3 invest in property they do not own. To address this barrier, in 2015, OUC
4 developed the Multifamily Efficiency Program (“MFEP”), which is a rebate
5 program that provides rebate incentives to property owners to improve energy and
6 water efficiency in their buildings and communities. Through the MFEP, since
7 2015 OUC has been working with multifamily complex owners to encourage and
8 educate them on all of the benefits of making efficiency improvements that can
9 benefit them, such as higher tenant retention rates, lower maintenance and
10 operating costs, and greater property values. The incentives are offered only to
11 the owner, but the MFEP provides holistic and bundled incentives for tenant and
12 common-area projects. OUC provides a full energy and water evaluation, which
13 outlines the recommended conservation upgrades and payback periods for each
14 improvement. OUC oversees the project completion from start to finish utilizing
15 our Preferred Contractor Network or a contractor of choice. Since launching the
16 program in 2015, 21 apartment complexes have participated.

17 Energy Efficiency measures for which incentives (rebates) are provided
18 through the MFEP include the following.

- 19 • Window Film Insulation
- 20 • ENERGY STAR® Windows
- 21 • Cool / Reflective Roof
- 22 • Attic Insulation
- 23 • Heat Pump / Straight Cool HVAC

- 1 • Duct Repair / Replacement
- 2 • A/C Proper Sizing
- 3 • ENERGY STAR Heat Pump Water Heater
- 4 • Ultra Low Flow Toilet
- 5 • Florida Water Star Certification

6

7 **Q. Please describe OUC’s Power Pass program.**

8 A. OUC’s Power Pass is an optional prepaid program that allows customers to pay-
9 as-they-go for utility services. Instead of getting a monthly bill, they pay in
10 advance for services. Customers can check their electric usage as often as they
11 want, even every day. OUC Power Pass customers never pay a deposit or incur
12 late fees. The program allows customers to pay for utility services when they
13 want, how they want, and in the amount they want. Customers have the
14 flexibility to make daily, weekly, or biweekly payments on electric bills rather
15 than making one large payment each month. As long as customers maintain a
16 positive balance, their services are continued. Customers can monitor their usage
17 through the OUC Power Pass portal and check their daily consumption and
18 receive high consumption and low balance alerts via text, email and/or phone.
19 Statistics show that customers who use prepaid programs such as OUC Power
20 Pass tend to use less electricity because they are more aware of how much they
21 are using.

22

1 **Q. Please describe OUC's efforts with respect to the New Horizons Apartment**
2 **Complex.**

3 A. In 2018, OUC partnered with the Village of Orlando and Hope Church to refurbish
4 a once-vacant, 58-unit low-income housing complex into a safe, beautiful,
5 affordable, and sustainable housing complex. OUC assisted with the design and
6 planning of the revamped buildings, which now have LED lighting, energy efficient
7 appliances, low-flow water fixtures, ductless HVAC systems, high-efficiency water
8 heaters, and a 52 kW rooftop solar array.

9

10 **Q. Please describe OUC's Conservation Kits program.**

11

12 A. OUC also targets low-income customers with our Conservation Kits initiative,
13 through which we have contracted with AM Conservation Group to distribute more
14 than 6,000 Conservation Kits to customers in the course of in-home energy audits
15 and at community events. Each Conservation Kit includes actual energy saving
16 equipment, including LED bulbs, weather stripping, outlet covers, refrigerator
17 thermometer, a hot weather gauge, and water saving devices.

18

19 **Q. Does anything in Mr. Bradley-Wright's testimony affect your and OUC's**
20 **position that the Florida PSC should set goals of zero summer and winter MW**
21 **and zero energy savings for OUC in this FEECA goal-setting proceeding?**

22 A. No. OUC has demonstrated, and continues to demonstrate, its commitment to
23 energy conservation by all customers, and we have demonstrated our extensive
24 commitments to energy conservation and meeting the energy needs of our low-

1 income customers through the many efforts described in my testimony above.
2 *Mandatory* numeric goals – other than the zero goals proposed by OUC – would
3 only reduce OUC’s flexibility to develop and offer valuable programs, and OUC
4 would almost certainly exceed such goals as we have historically done.

5

6 **Q. Does this conclude your rebuttal testimony?**

7 A. Yes, it does.

CERTIFICATE OF SERVICE

I **HEREBY CERTIFY** that a true and correct copy of the foregoing has been furnished by electronic mail this 12th day of July, 2019, to the following parties.

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