Jacob Veaughn

From: Hannah Barker
Sent: Monday, March 15, 2021 10:49 AM
To: Commissioner Correspondence
Subject: Docket Correspondence
Attachments: Letter from Mayor Kriseman - 20200181.pdf

Good morning,

Please place the attached letter in Docket No. 20200181.

Hannah E. Barker
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Florida Public Service Commission
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OFFICE OF THE MAYOR

CITY OF ST. PETERSBURG

RICK KRISEMAN, MAYOR

February 18, 2021

Chairman Gary F. Clark
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, FL 32399

Re: Docket No. 20200181, Proposed amendment of Rule 25-17.0021, F.A.C., Goals for Electric Utilities

Dear Chairman and Commissioners:

Thank you for the opportunity to provide these comments on the Commission's proposed revisions to its Florida Energy Efficiency and Conservation Act (FEECA) rule. The City of St. Petersburg is the state's fifth largest city, home to over 266,000 residents, as well as a large customer of Duke and TECO. Both perspectives are reflected in our comments below.

The City of St. Petersburg adopted its first Integrated Sustainability Action Plan (ISAP) in the spring of 2019. The ISAP is an ambitious plan that outlines the City's current and future sustainability and resiliency initiatives. It includes the City's first-ever greenhouse gas (GHG) emissions inventory and a roadmap that describes how we will achieve 100% renewable energy by 2035 and reduce its GHG emissions by 80% by 2050. St. Petersburg announced these ambitious commitments in order to:

- Mitigate the environmental, economic and public health impacts of climate change;
- Improve our air and water quality;
- Build a healthy, sustainable, and more resilient future;
- Strengthen our economy and support more local jobs; and
- Protect public health, particularly of our most vulnerable community members.

The City's energy and emissions goals include municipal operations as well as community-wide efforts and energy efficiency is a critical tool to help us achieve all of these outcomes.

The city has been working to implement energy efficiency upgrades and install renewable energy technologies at our facilities. In addition to other city funding sources, we have recently established a revolving fund to support energy efficiency and renewable energy investments at city facilities. Programs managed by Duke and TECO to support efficiency upgrades would allow us to implement

more work at our facilities as incentives would reduce the project costs, thereby allowing the city to fund more projects and operate more efficiently in terms of both costs and environmental impacts.

Despite robust community-wide efforts, local governments like ours are often constrained in how much we can do to drive down our total community GHG emissions footprint since our direct ability to optimize the sources of energy that power the economy is limited. Therefore, we have a significant interest in finding ways to systematically improve the emissions performance of our electricity system through the increased use of renewable energy as well as through the support of energy efficiency policies and programs that eliminate energy waste and reduce peak demand. Utilities are particularly well suited to support energy efficiency efforts and should have specific goals and programs in place to increase the efficient use of electricity in the state.

Additionally, energy efficiency programs reduce total energy costs for all customers—whether or not they participate directly in programs—as well as the energy burdens of our most vulnerable constituents. This is particularly important in a state like ours which has one of the highest average monthly electricity bills in the country (13th out of 50 states) despite relatively low rates—although the kWh rates are relatively low, energy consumption is sufficiently high that overall costs to consumers are well above the national average.[1] Given the continuing economic fallout from the COVID-19 crisis, programs that help consumers save money on their utility bills are more important than ever.

As the Commission considers revisions to its FEECA rule, we urge you to address the core policy issues causing Florida to lag behind the rest of the country when it comes to energy efficiency in addition to the procedural changes proposed by staff.[2] Specifically, no other state in the country relies as heavily on the Rate Impact Measure (RIM) test to evaluate energy efficiency programs.[3] Similarly, no other state in the country requires energy efficiency programs to demonstrate a return on investment in two years or less. Both of these practices caused Florida's utilities to propose zero or near-zero goals for energy efficiency during the prior FEECA goal-setting process. As a result, Florida utilities offer fewer energy efficiency programs than utilities in other states despite the high energy burden experienced by Florida residents and businesses.

As local elected officials, we are frustrated by these results. We are also keenly aware of the important role that robust energy efficiency programs can play in our community. Indeed, efficiency programs can help all of our residents and businesses reduce their energy use; save money; create tens of thousands of local, family-wage jobs that can't be outsourced;[4] and keep more dollars in the community.

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[1] United States Energy Information Agency, 2018 Average Residential Monthly Bill, Data from forms EIA-861- schedules 4A-D, EIA-861S and EIA-861U

[2] American Council for an Energy Efficient Economy, State *Energy Efficiency Scorecard*, December 16, 2020, p. 32. Florida ranks 44th out of 50 states in energy savings as a percentage of retail sales.

[3] In general, no other state relies as heavily on the RIM test as Florida to set energy efficiency investment levels. While Virginia once did, it enacted a new law in 2018 to move away from the RIM test as the sole, primary screen for the evaluation of energy efficiency investments.

[4] In 2019, Florida's clean energy sector employed more than ~158,000 people, of which ~118,000 of those were employed by the efficiency sector. See: Environmental Entrepreneurs, 2019 Clean Jobs America, https://www.e2.org/wp-content/uploads/2019/04/E2-2019-Clean-Jobs-America.pdf. A 2019 analysis by the American Council for an Energy Efficiency Economy found that Florida could gain 135,000 jobs by embracing stronger clean energy policies, including by setting strong

For all of these reasons, the City of St. Petersburg urges the Commission to strengthen its energy efficiency policies and programs by:

- Using the total resource cost test (TRC) or the participant cost test (PCT) to evaluate the costs and benefits of energy efficiency, instead of the RIM test.
- Eliminating the "two-year payback screen" to evaluate energy efficiency investments.
- Incorporating "adders" as part of energy efficiency cost-effectiveness analyses in order to account for the many non-energy benefits that energy efficiency delivers such as avoided utility environmental compliance costs, reduced air pollution, and participant health benefits – among others.[5]
- Providing financial incentives to utilities for meeting and exceeding energy saving targets established by the Commission.
- Adopting policies to support new and expanded energy-saving programs for low-income Floridians, such as a minimum budget or savings requirement for low-income programs, the incorporation of a benefit adder to evaluate the cost-effectiveness of low-income programs and account for the health and safety benefits these programs provide, and the creation of a low-income customer advisory board to guide the Commission and Florida's utilities in the design and implementation of low-income offerings.

In consideration of the importance of these recommendations, we encourage you to schedule at least one more workshop to address the Commission's FEECA rule including opportunities to modernize the Commission's cost-effectiveness protocols and explore ways to expand the scope and reach of energy efficiency programs for all Florida businesses and consumers, especially those who are struggling financially.

Thank you for your consideration of our comments. Please do not hesitate to contact me at 727-893-7201 or mayor@stpete.org with any questions. We also welcome the opportunity to meet with you directly.

Sincerely,

Rick Kriseman
Mayor
City of St. Petersburg, FL

energy savings goals for Florida's utilities. See: American Council for an Energy Efficiency Economy, Florida could add 135,000 jobs by embracing five energy policies, https://www.aceee.org/blog/2019/02/florida-could-add-135000-jobs

[5] American Council for an Energy Efficient Economy, Cost-Effectiveness Tests: Overview of State Approaches to Account for Health and Environmental Benefits of Energy Efficiency, https://www.aceee.org/sites/default/files/he-ce-tests-121318.pdf