

State of Florida



Public Service Commission

CAPITAL CIRCLE OFFICE CENTER • 2540 SHUMARD OAK BOULEVARD
TALLAHASSEE, FLORIDA 32399-0850

-M-E-M-O-R-A-N-D-U-M-

DATE: February 20, 2025

TO: Office of Commission Clerk (Teitzman)

FROM: Division of Engineering (Sanchez, Ellis, Ramos) *TB*
Office of the General Counsel (Sparks, Imig) *ACH*

RE: Docket No. 20240167-EG – Petition for approval of demand-side management plan, by JEA.

AGENDA: 03/04/25 – Regular Agenda – Proposed Agency Action – Interested Persons May Participate

COMMISSIONERS ASSIGNED: All Commissioners

PREHEARING OFFICER: Clark

CRITICAL DATES: None

SPECIAL INSTRUCTIONS: Staff recommends the Commission simultaneously consider Docket Nos. 20240163-EG, 20240166-EG, 20240167-EG, 20240169-EG, and 20240170-EG.

Case Background

Sections 366.80 through 366.83, and 403.519, Florida Statutes (F.S.), known collectively as the Florida Energy Efficiency and Conservation Act (FEECA), require the Florida Public Service Commission (Commission) to adopt conservation goals to increase the efficiency of energy consumption. 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. The Commission most recently established conservation goals for JEA (JEA or Utility) by Order No. PSC-2024-0432-FOF-EG (2024 Goalsetting Order), issued September 20,

Docket No. 20240167-EG

Date: February 20, 2025

2024, in Docket No. 20240016-EG.¹ On December 19, 2024, JEA filed a petition requesting approval of its DSM Plan and associated program standards.

The Commission has jurisdiction over this matter pursuant to Sections 366.80 through 366.83 and 403.519, F.S.

¹ Order No. PSC-2024-0432-FOF-EG, issued September 20, 2024, in Docket No. 20240016-EG, *In re: Commission review of numeric conservation goals (JEA)*

Discussion of Issues

Issue 1: Should the Commission approve JEA's DSM Plan and program standards?

Recommendation: Yes. JEA's DSM Plan is consistent with the proposed programs used to establish its DSM goals and is projected to meet the annual numeric conservation goals approved by the Commission in the 2024 Goalsetting Order. Staff has reviewed JEA's program participation and administrative standards and they appear to be consistent with JEA's DSM Plan. Therefore, staff recommends that JEA's DSM plan and program standards be approved. JEA's local governing body will make its own determination as to whether expenditures are reasonable and prudent. In addition, staff requests that JEA notify the Commission prior to modifying its DSM Plan or program standards. (Sanchez)

Staff Analysis: Section 366.82(7), F.S., requires that, following the adoption of the annual conservation goals, the Commission shall also require each utility subject to FEECA to develop a demand-side management (DSM) plan to meet those conservation goals. Rule 25-17.0021(4), Florida Administrative Code (F.A.C.), requires each electric utility subject to FEECA to file its DSM plan, which consist of one or more DSM programs, and program participation standards for Commission approval. The Commission has considered the appropriateness of DSM programs by evaluating the following criteria, first outlined in Order No. 22176: 1) whether the program advances the policy objectives of FEECA and its implementing rules (such as reducing demand and energy usage); 2) whether the program is directly monitorable and yields measurable results; and 3) whether the program is cost-effective.² Pursuant to 366.82(7), F.S., the Commission may then elect to approve, modify, or deny the utility's DSM Plan.

JEA's Proposed DSM Plan

Staff has reviewed JEA's DSM Plan including its demand and energy savings, cost-effectiveness, and rate impact. Overall, the programs within the proposed DSM Plan are consistent with the proposed DSM programs evaluated by the Commission in the 2024 DSM Goalsetting proceeding. A complete list of the programs and a brief description of each can be found in Attachment A. JEA also submitted its program participation and administrative standards, which can be found in Attachment B, and they appear consistent with JEA's DSM Plan.

JEA's DSM Plan consists of a total of four programs: three residential programs and one commercial/industrial program. JEA has proposed to continue its Residential Neighborhood Efficiency program and Commercial Prescriptive Lighting program while adding two new programs.

The projected program demand and energy savings meet the goals established by the Commission in the 2024 Goalsetting Order, and the programs included in JEA's DSM Plan are directly monitorable and measurable. As required by Rule 25-17.008, F.A.C., JEA provided cost-effectiveness analyses for the programs included in its DSM Plan using the Rate Impact Measure (RIM), the Total Resource Cost (TRC), and the Participants tests. All of the DSM programs

² Order No. 22176, issued November 14, 1989, in Docket No. 19890737-PU, *In re: Implementation of Section 366.80-85, F.S., Conservation of Activities of Electric and Natural Gas Utilities.*

passed the Participants test, all but one passed the TRC test, and all programs failed the RIM test. Staff notes that the cost-effectiveness of the DSM programs is consistent with what was provided in the 2024 Goalsetting proceeding. Overall, staff recommends that JEA’s DSM plan and program standards be approved.

JEA is responsible for continuing to monitor actual participation in its programs and requesting modifications to its DSM plan and/or program standards as necessary to meet the annual conservation goals. If JEA is unable to meet the annual conservation goals established by the Commission the Utility may be subject to appropriate action by the Commission. The costs to implement the programs within JEA’s DSM Plan will be established by the municipal utility’s governing body if the plan is approved. Table 1-1 shows an estimate of the monthly rate impact on the typical residential customer over the 2025 through 2034 period.

Table 1-1
JEA’s DSM Plan Estimated Monthly Rate Impact

Year	Residential Customer Rate Impact (\$/1,200 kWh-mo)
2025	0.26
2026	0.28
2027	0.30
2028	0.31
2029	0.33
2030	0.35
2031	0.36
2032	0.37
2033	0.37
2034	0.36

Source: JEA’s Response to Staff’s First Data Request

Conclusion

JEA’s DSM Plan is consistent with the proposed programs used to establish its DSM goals and is projected to meet the annual numeric conservation goals approved by the Commission in the 2024 Goalsetting Order. Staff has reviewed JEA’s program participation and administrative standards and they appear to be consistent with JEA’s DSM Plan. Therefore, staff recommends that JEA’s DSM plan and program standards be approved. JEA’s local governing body will make its own determination as to whether expenditures are reasonable and prudent. In addition, staff requests that JEA notify the Commission prior to modifying its DSM Plan or program standards.

Issue 2: Should this docket be closed?

Recommendation: Yes. If no person whose substantial interests are affected by the proposed agency action files a protest within 21 days of the issuance of the Order, this docket should be closed upon the issuance of a Consummating Order. (Sparks)

Staff Analysis: If no person whose substantial interests are affected by the proposed agency action files a protest within 21 days of the issuance of the Order, this docket should be closed upon the issuance of a Consummating Order.

JEA Program Descriptions

RESIDENTIAL PROGRAMS

Residential Home Efficiency Upgrades Rebates Program

JEA has been offering its Residential Home Efficiency Upgrades Rebates Program since 2007 and will continue offering it as part of JEA's 2025 DSM Plan. The Program consists of incentives (rebates) for customers to improve the efficiency of their homes through the installation of qualifying heat pump water heaters, improvements to the heating, ventilation, and air conditioning (HVAC) systems, or ceiling insulation. This Program is offered to all Residential customers in JEA's service territory.

Residential Energy Efficient Products Rebates Program

JEA has been offering its Residential Energy Efficient Products Rebates Program since 2007 and will continue offering it as part of JEA's 2025 DSM Plan. The Program consists of incentives (rebates) for customers to improve the efficiency of their homes through the installation of ENERGY STAR clothes washers, room air conditioners, and smart thermostats. This Program is offered to all Residential customers in JEA's service territory through select home improvement stores and retailers.

Residential Neighborhood Energy Efficiency (NEE) Program

JEA has been offering its Residential NEE Program since 2008 and will continue offering it as part of JEA's 2025 DSM Plan. The Program is available to low-income customers in disadvantaged neighborhoods as designated by the U.S. Census Bureau. Through the Residential NEE Program, JEA installs various energy (and water) efficiency products at no cost to the participating customers, which helps to lower the customers' utility bills. JEA also provides tips on how customers may be able to manage their electric and water usage.

COMMERCIAL/INDUSTRIAL PROGRAMS

Commercial/Industrial Prescriptive Lighting Rebates Program

JEA has been offering its Commercial/Industrial Prescriptive Lighting Rebates Program since 2009 and will continue offering it as part of JEA's 2025 DSM Plan. The Program consists of incentives (rebates) for customers to install energy efficient lighting and occupancy sensors.

JEA Program Standards

RESIDENTIAL PROGRAMS

Residential Home Efficiency Upgrades Rebates Program

JEA offers a direct incentive (rebate) to customers that install a qualifying heat pump water heater. The program is promoted to all customers in the JEA service territory via email and other social media avenues. Additionally, store signage and paper applications are made available in select home improvement stores and retailers. After purchase, the customer provides supporting purchase and installation information to acquire the incentive payment (rebate).

JEA has a pre-qualified contractor (PQC) program that allows JEA customers to select a contractor to perform the installation of the HVAC and/or ceiling insulation. After the installation is complete, the PQC provides the customer with an invoice with a line item showing the discounted amount (reflective of the rebates) from JEA. The PQC then submits the application to JEA for reimbursement for the discounted amount (rebate). All customer proposals and invoices must clearly show the full price of the system, the JEA incentive (rebate), and the resulting net price to the customer. The customer pays the net price of the system to the PQC. JEA will only provide incentive payments for systems accepted by the customer as complete, in accordance with what they purchased from the PQC, and in compliance with the requirements of the incentive program.

Residential Energy Efficient Products Rebates Program

For the mail-in rebate provided with clothes washers and smart thermostats the customer provides supporting purchase and installation information to acquire the incentive payment (rebate). The program is promoted to all customers in the JEA service territory via email and other social media avenues. Additionally, store signage and paper applications are made available in select home improvement stores and retailers.

JEA offers an instant discount taken at the register at select stores with which there is an agreement to showcase the JEA discount and provide a \$25 incentive off the purchase price of qualifying room air conditioners.

Residential Neighborhood Energy Efficiency (NEE) Program

The Residential NEE Program is available to low-income customers in disadvantaged neighborhoods. JEA identifies qualifying neighborhoods as having 50 percent or more of the residents living at or below 150 percent of the Federal Poverty guidelines within the U.S. Census Bureau Tract. Once a neighborhood has been identified, all residents will receive postcards explaining the NEE program and when to expect NEE crews in the neighborhood. All installed measures and behavioral education under the Residential NEE Program are provided by JEA at no cost to participating customers.

COMMERCIAL/INDUSTRIAL PROGRAMS

Commercial/Industrial Prescriptive Lighting Rebates Program

JEA offers rebates for lighting equipment installed as part of a retrofit project. Lighting retrofit project applicants must submit a lighting workbook and be pre-approved prior to equipment purchase and installation. Lighting equipment that results in verifiable installed wattage reduction is eligible for rebates, provided that the following criteria are met:

- LED light fixtures and retrofit kits must be qualified as Design Light Consortium (DLC) or Energy Star
- Type A tube LEDs that use existing ballast are not eligible for rebates. Type B tube LEDs that use line voltage via lamp holders should install new lamp holders as part of retrofit. Type C tube LEDs that use a dedicated external driver shall submit technical specifications for the power supply/driver being used
- Rebates are currently capped at 50% net customer cost and \$100,000 per customer per program year

The following exclusions apply to the Commercial/Industrial Prescriptive Lighting Rebates Program:

- Measures with energy savings due solely to behavioral changes
- T12 fluorescent lighting
- Incandescent and screw-in compact fluorescent lamps (CFLs)
- Screw-in LED lamps
- Standard metal halide, mercury vapor, or any high-pressure sodium lighting
- De-lamping without upgrading to qualifying lighting equipment
- Pin based LED replacing compact fluorescent using fluorescent ballasts
- Exit sign replacement

JEA offers rebates for the installation of occupancy sensors, subject to meeting the following criteria:

- Retrofit installations, where not required by ASHRAE 90.1-2004, are eligible
- Sensors must be new and installed in a manner that meets or exceeds code regulations
- Sensors or control must be hard-wired and permanently installed (no plug-based sensors)
- Installations must comply with manufacturer's guidelines on coverage and maximum controlled watts
- Sensors can be passive infrared, ultrasonic, or dual technology
- Wall or fixture mounted sensors must control a minimum of 200 watts
- Ceiling mounted sensors must control a minimum of 400 watts

Occupancy sensors or installations with the ability to disable sensor functions (other than for maintenance) are not eligible for rebates under this Program.