

I. Meeting Packet



State of Florida
Public Service Commission
INTERNAL AFFAIRS AGENDA

Tuesday – November 17, 2020

9:30 AM

Room 148 – Betty Easley Conference Center

-
1. Draft 2020 Annual Report on Activities Pursuant to the Florida Energy Efficiency and Conservation Act (Attachment 1)
 2. Draft of the Florida Lifeline Assistance Report (Attachment 2)
 3. Draft of the 2019 Telecommunications Regulatory Assessment Fee Report (Attachment 3)
 4. EV Master Plan Update
 5. General Counsel's Report
 6. Executive Director's Report
 7. Other Matters

BB/aml

OUTSIDE PERSONS WISHING TO ADDRESS THE COMMISSION ON
ANY OF THE AGENDAED ITEMS SHOULD CONTACT THE
OFFICE OF THE EXECUTIVE DIRECTOR AT (850) 413-6463.

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: November 4, 2020

TO: Braulio Baez, Executive Director

FROM: Division of Economics (Rogers, Barrett) *JGH*

RE: Draft Report on Activities Pursuant to the Florida Energy Efficiency and Conservation Act (FEECA). Due March 1, 2021 to the Governor and Legislature.

Critical Information: Please place on the November 17, 2020 Internal Affairs agenda. Commission approval is sought.

Section 366.82(10), Florida Statutes (F.S.), requires the Florida Public Service Commission (Commission) to submit an annual report to the Governor and Legislature on the utilities' progress towards meeting goals established by the Commission pursuant to the Florida Energy Efficiency and Conservation Act. The report is due by March 1, 2021.

Furthermore, Section 377.703(2)(f), F.S., requires the Commission to file information on electricity and natural gas energy conservation programs with the Department of Agriculture and Consumer Services.

Staff is seeking Commission approval of the attached draft report. Upon approval, the report will be submitted to the Governor, President of the Senate, Speaker of the House, and the Commissioner of Agriculture.

cc: Keith Hetrick, General Counsel
Mark Futrell, Deputy Executive Director, Technical
Apryl Lynn, Deputy Executive Director, Administrative



FLORIDA
PUBLIC
SERVICE
COMMISSION

FEECA

Annual Report on Activities Pursuant to the Florida Energy Efficiency and Conservation Act

As Required by Sections 366.82(10) and 377.703(2)(f), Florida Statutes

DECEMBER 2020

Florida Public Service Commission

Annual Report on
Activities
Pursuant
to the
Florida
Energy
Efficiency and
Conservation
Act

As Required by Sections 366.82(10) and
377.703(2)(f), Florida Statutes

December 2020

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List of Acronyms

C/I	Commercial and Industrial (Customers)
Commission or FPSC	Florida Public Service Commission
COVID-19	Coronavirus Disease 2019
DEF	Duke Energy Florida, LLC
DOE	U.S. Department of Energy
DSM	Demand-Side Management
ECCR	Energy Conservation Cost Recovery
EV	Electric Vehicle
F.A.C.	Florida Administrative Code
FEECA	Florida Energy Efficiency and Conservation Act
FLBC	Florida Building Code
FPL	Florida Power & Light Company
FPUC	Florida Public Utilities Company
F.S.	Florida Statutes
GPR	Gross Power Rating
GRIM	Gas Rate Impact Measure Test
Gulf	Gulf Power Company
GWh	Gigawatt-Hour
HVAC	Heating, Ventilation, and Air Conditioning
IOU	Investor-Owned Utility
JEA	Formerly known as Jacksonville Electric Authority
kWh	Kilowatt-Hour
LDC	Natural Gas Local Distribution Company
Load	Demand for Electricity
MMBtu	One Million British Thermal Units
MW	Megawatt
MWh	Megawatt-Hour
NGCCR	Natural Gas Conservation Cost Recovery
OUC	Orlando Utilities Commission
O&M	Operations and Maintenance
PV	Photovoltaic
PGS	Peoples Gas System
RIM	Rate Impact Measure Test
TECO	Tampa Electric Company
TRC	Total Resource Cost Test

Executive Summary

Purpose

Reducing the growth of Florida's peak electric demand and energy consumption became a statutory objective in 1980, with the enactment of the Florida Energy Efficiency and Conservation Act (FEECA). FEECA emphasizes four key areas: reducing the growth rates of weather-sensitive peak demand and electricity usage, increasing the efficiency of the production and use of electricity and natural gas, encouraging demand-side renewable energy systems, and conserving expensive resources, particularly petroleum fuels. Sections 366.82(2) and 366.82(6), Florida Statutes (F.S.), require the Florida Public Service Commission (FPSC or Commission) to establish goals for the FEECA utilities and review the goals every five years, at minimum. The utilities are required to develop cost-effective demand-side management (DSM) plans that meet those goals and submit them to the Commission for approval.

Energy conservation and DSM in Florida is accomplished through a multi-pronged approach that includes energy efficiency requirements in building codes for new construction, federal appliance efficiency standards, utility programs, and energy education efforts. Utility programs, which are paid for by all customers, are aimed at increasing efficiency levels above building codes and appliance efficiency standards.

The Commission is required by Section 366.82(10), F.S., to provide an annual report to the Florida Legislature and the Governor summarizing the adopted goals and the progress made toward achieving those goals. Similarly, Section 377.703(2)(f), F.S., requires the Commission to file information on electricity and natural gas energy conservation programs with the Department of Agriculture and Consumer Services. Pursuant to Section 366.82(10), F.S., this report on conservation results achieved by the FEECA utilities is due to the Florida Legislature and Governor by March 1, 2021. This report reviews the 2019 annual goal results for each of the seven FEECA electric utilities and fulfills these statutory obligations.

The seven electric utilities and single natural gas utility currently subject to FEECA are:

- Five electric investor-owned utilities (IOUs), listed in order of sales
 - Florida Power & Light Company (FPL)
 - Duke Energy Florida, LLC (DEF)
 - Tampa Electric Company (TECO)
 - Gulf Power Company (Gulf)
 - Florida Public Utilities Company (FPUC)

- Two municipal electric utilities, listed in order of sales
 - JEA
 - Orlando Utilities Commission (OUC)

- One investor-owned natural gas local distribution company (LDC)
 - Peoples Gas System (PGS)

The Commission regulates the rates and conservation cost recovery of the five electric IOUs and the single FEECA LDC. In contrast, the Commission does not regulate the rates or conservation program costs of the two municipal electric utilities for which it sets DSM goals.

Report Layout

This report presents the FEECA utilities' progress towards achieving the Commission-established goals and the Commission's efforts in overseeing these conservation initiatives. This report details these efforts through the following five sections and appendices:

Section 1 provides a brief history of FEECA and a description of existing tools for increasing conservation throughout the State of Florida.

Section 2 discusses the DSM goalsetting process and the most recent Commission-established goals set for the FEECA utilities.

Section 3 reviews the utilities' goal achievements and progress within low-income programs and research and development programs.

Section 4 provides an overview of the associated 2019 DSM program costs recovered through the Energy Conservation Cost Recovery (ECCR) Clause (as applies to the five electric IOUs subject to FEECA) and Natural Gas Conservation Cost Recovery (NGCCR) Clause (as applies to a single FEECA LDC).

Section 5 discusses methods the Commission has used to educate consumers about conservation during the prior period, including a list of related web sites.

Appendices A and B provide a list of the currently-offered conservation programs and a description of each program's purpose.

Appendix C provides an overview of the audit programs sponsored by FEECA Utilities and information regarding how electric IOUs are adjusting energy audit program offerings in 2020 as a result of the COVID-19 pandemic.

2019 Goalsetting Proceeding

In April 2019, the electric FEECA utilities filed proposed conservation goals, including numeric goals for summer demand, winter demand, and annual energy savings, for the 2020-2029 period. On November 5, 2019, the Commission chose to reject the goals proposed by the electric FEECA utilities. Instead, the Commission opted to continue with the goals that were established in the 2014 goalsetting proceeding for the period 2020-2024, and directed its staff to review the FEECA process for potential updates and revisions as may be appropriate.¹ In May and June 2020, the Commission approved as filed the DSM Plans the municipal electric FEECA utilities

¹Order No. PSC-2019-0509-FOF-EG, issued November 26, 2019, in Docket Nos. 20190015-EG through 20190021-EG, *In re: Commission review of numeric conservation goals*.

submitted to meet the approved goals.² In August 2020, the Commission approved as filed the DSM Plans the investor-owned electric FEECA utilities submitted.³

The 2014 approved goals were based on estimated energy and demand savings from measures that passed the Rate Impact Measure (RIM) and Participants cost-effectiveness tests.⁴ These tests were used to ensure that all ratepayers benefit from energy efficiency programs due to downward pressure on electric rates. Compared to its review in 2009, the Commission identified fewer cost-effective energy efficiency measures in 2014 as a result of more stringent building codes and appliance efficiency standards. Higher appliance efficiency standards and building codes contribute to conservation outside of utility-sponsored DSM programs. Additionally, reduced utility avoided costs, caused by relatively low natural gas prices, resulted in fewer cost-effective measures.

Section 366.82(2), F.S., also requires that the Commission adopt goals for increasing the development of demand-side renewable energy systems. In 2014, the Commission acknowledged that the solar pilot programs that were initiated in 2009 to satisfy this statutory requirement did not ultimately prove to be a cost-effective and equitable method for encouraging demand-side renewable energy as required by Section 366.82, F.S.⁵ However, the Commission recognized at that time, as it did again in its 2019 review, that the Commission's customer-owned renewable generation rule (Rule 25-6.065, F.A.C.) adopted in 2008 offered an effective means to encourage the development of demand-side renewable energy in the state, allowing customers a method for offsetting their energy usage. In addition, in 2020, the Commission initiated a fact-finding workshop to explore various topics regarding demand-side renewable energy system development.

The Commission also established numeric therm savings goals for a natural gas utility for the first time in 2019. The Commission approved goals for PGS, that became effective in 2020, based on programs it found were cost-effective in August 2019.⁶ PGS also developed audit programs for its residential and commercial customers as part of the proceedings.

The 2019 goalsetting processes for all FEECA utilities are further discussed in Section 2.

²Order No. PSC-2020-0140-PAA-EG, issued May 12, 2020, in Docket No. 20200058-EG, *In re: Petition for approval of 2020 demand-side management plan, by Orlando Utilities Commission*; Order No. PSC-2020-0200-PAA-EG, issued June 24, 2020, in Docket No. 20200057-EG, *In re: Petition for approval of 2020 demand-side management plan, by JEA*.

³Order No. PSC-2020-0274-PAA-EG, issued August 3, 2020, in Docket Nos. 20200053-EG (TECO), 20200054-EG (DEF), 20200055-EG (FPL), 20200056-EG (Gulf), and 20200060-EG (FPUC), *In re: Petition for approval of 2020 demand-side management plans*.

⁴Order No. PSC-2014-0696-FOF-EU, issued December 16, 2014 (2014 Goalsetting Order), in Docket Nos. 20130199EI through 20130205-EI, *In re: Commission review of numeric conservation goals*.

⁵Although Section 366.82, F.S., requires the Commission to adopt goals for increasing the development of demand-side renewable energy systems, the Commission must also take into account the benefits and costs to participants and to the general body of ratepayers. In the 2014 Goalsetting Order, the Commission found that the FEECA utilities' continued implementation and compliance with Rule 25-6.065, F.A.C., Interconnection and Net Metering of Customer-Owned Renewable Generation ("Net Metering Rule"), was an appropriate goal for promoting the development of small customer-owned renewable generation.

⁶Order No. PSC-2019-0361-PAA-GU, issued August 26, 2019, in Docket No. 20180186-GU, *In re: Petition for approval of demand-side management goals and residential customer assisted and commercial walk-through energy audit programs, by Peoples Gas System*.

2019 Achievements and Related Program Costs

Since FEECA's inception, it is estimated that DSM programs offered by electric FEECA utilities have reduced summer peak demand by 8,046 megawatts (MW) and winter peak demand by 7,373 MW. During 2019, the Florida electric FEECA utilities offered 110 residential and commercial programs focused on demand reduction and energy conservation. In addition, FEECA electric utilities performed over 240,000 residential and commercial energy audits. Each FEECA utility's achievements toward the 2019 Commission-approved goals are detailed in Section 3.

The Commission has authority, by statute, to allow investor-owned utilities to recover costs related to conservation.⁷ The Commission has implemented this authority for electric IOUs through the ECCR clause since 1980. For 2019, Florida's investor-owned electric utilities recovered approximately \$330 million in conservation program expenditures.

Conclusion

Conservation in Florida is prompted by customer actions to conserve energy, federal appliance efficiency standards and state building codes for new construction, and utility-sponsored DSM programs. Customers can save energy and reduce their bills through behavioral changes and by investing in energy efficient homes, appliances, and equipment. Federal appliance efficiency standards have become more stringent over time, thus increasing the baseline energy efficiency of new appliances and heating, ventilation, and air conditioning (HVAC) equipment available to Florida's consumers. Likewise, changes in the Florida State Building Code (FLBC) have resulted in more energy efficient new and renovated homes. Florida's electric and natural gas utilities also encourage conservation by offering energy audits, customer education, rebates on energy efficient equipment and building envelope improvements, and demand response programs.

Utilities design DSM programs to encourage conservation that exceeds levels set by current building codes and minimum efficiency standards. More stringent efficiency standards and building codes, as well as customer actions to implement efficiency outside of utility programs, reduce the potential incremental demand and energy savings available from utility-sponsored DSM programs. The level of realized savings from utility programs is uncertain because it requires voluntary participation and, in some cases, changes in customer behavior.

Because all customers pay for the utility conservation programs as a portion of their monthly utility bills, the Commission focuses on ensuring that all customers benefit from utility-sponsored DSM programs. The Commission also encourages customers to use energy efficiently through its customer education efforts. Overall, reducing Florida's electric demand and energy usage relies on customer education and participation in utility DSM programs, along with each individual's efforts to save electricity.

Conservation and renewable energy will continue to play an important role in Florida's energy future. The Commission is continuing its efforts to encourage cost-effective conservation that defers the need for new electric-generating capacity and reduces the use of fossil fuels. These

⁷Section 366.05(1), F.S.

initiatives support a balanced mix of resources that reliably and cost-effectively meet the needs of Florida's ratepayers.

Section 1. Florida Energy Efficiency and Conservation Act

1.1 FEECA History and Implementation

FEECA emphasizes four key areas: reducing the growth rates of weather-sensitive peak demand and electricity usage, increasing the efficiency of electricity and natural gas production and use, encouraging demand-side renewable energy systems, and conserving expensive resources, particularly petroleum fuels. Pursuant to FEECA, the Commission is required to establish conservation goals and the FEECA utilities must develop DSM programs to meet those goals.

Originally, all electric utilities in Florida were subject to FEECA. In 1989, changes were made to the law limiting the requirement to electric utilities with more than 500 Gigawatt-Hour (GWh) of annual retail sales. At that time, 12 Florida utilities met this threshold requirement and their combined sales accounted for 94 percent of Florida's retail electricity sales. An additional change to the law encouraged cogeneration projects.

In 1996, the Florida Legislature raised the minimum retail sales threshold for municipal and cooperative electric utilities to 2,000 GWh. Retail sales for these utilities were measured as of July 1, 1993, and two municipal utilities met the threshold of the new law: JEA and OUC. In addition to these two utilities, all five Florida investor-owned electric utilities must comply with FEECA regardless of sales levels. No rural electric cooperatives are currently subject to FEECA.

FEECA also includes natural gas utilities whose annual retail sales volume is equal to or greater than 100 million therms. PGS is the only natural gas utility that meets the therm sales threshold for conservation goals under FEECA, and thus has its own Commission-approved DSM goals.

The FEECA statute also allows the Commission to provide appropriate financial rewards and penalties to the utilities over which it has rate-setting authority. The Commission also has the authority to allow an IOU to receive an additional return on equity of up to 50 basis points for exceeding 20 percent of its annual load growth through energy efficiency and conservation measures. To date, the Commission has not awarded financial rewards or assessed penalties for any of the IOUs through FEECA. The Commission does not have rate-setting authority over JEA and OUC and therefore cannot assess financial penalties or provide financial rewards under FEECA.

Table 1 lists the seven electric FEECA utilities and shows their 2019 retail electricity sales and the percentage of total statewide electricity sales by each utility. The table also includes the total energy sales for all non-FEECA utilities. Currently, the seven electric utilities that are subject to FEECA account for approximately 83.9 percent of all Florida energy sales.

Table 1
Energy Sales by Florida's Electric FEECA Utilities in 2019

Florida's Electric FEECA Utilities	Energy Sales (GWh)	Percent of Total Energy Sales
Florida Power & Light Company	111,929	46.5%
Duke Energy Florida, LLC	39,187	16.3%
Tampa Electric Company	19,784	8.2%
JEA	12,322	5.1%
Gulf Power Company	11,079	4.6%
Orlando Utilities Commission	6,826	2.8%
Florida Public Utilities Company	652	0.3%
Electric FEECA Utilities' Total	201,779	83.9%
Non-FEECA Utilities' Total	38,797	16.1%
Total Statewide Energy Sales	240,576	100.0%

Source: Commission's "Statistics of the Florida Electric Utility Industry" (Table 26) published in October 2020.

Sections 366.82(2) and 366.82(6), F.S., require the Commission to set demand-side management goals at least every five years for the utilities subject to FEECA. The Commission sets electric goals with respect to summer and winter electric-peak demand and annual energy savings over a ten-year period, with a re-evaluation every five years. Once goals are established, the electric FEECA utilities must submit DSM plans containing cost-effective programs intended to meet the goals for Commission approval.

In 2008, the Florida Legislature amended the FEECA statute, placing upon the Commission additional responsibilities when adopting conservation goals. These responsibilities included the consideration of the benefits and costs to program participants and ratepayers as a whole, as well as the need for energy efficiency incentives for customers and utilities. The Commission must also consider any costs imposed by state and federal regulations on greenhouse gas emissions.

1.2 FEECA's Influence on the Florida Energy Market

FEECA's mission is important to Florida's overall energy market. Florida's total electric consumption ranks among the highest in the country due to its sizeable population and climate-induced demand for cooling. When compared to the rest of the country, Florida's energy market is unique. The distinction is largely due to the state's climate, the high proportion of residential customers to total customers, and the reliance on electricity for heating and cooling.

Florida is typically a summer-peaking state. On a typical summer day, the statewide demand for electricity can increase from approximately 18,000 MW to 34,000 MW over the span of hours.⁸ Additionally, 87.6 percent of Florida's electricity customers are residential, consuming approximately 52.4 percent of the electrical energy produced. In contrast, nationally, residential

⁸Electric IOU responses to Staff's First Data Request, re: 2019 Ten-Year Site Plan.

customers account for only 38.1 percent of total electric sales, while commercial customers represent 36 percent of electric consumption and industrial customers represent 26 percent.⁹ Table 2 shows the makeup of Florida’s electric customers by class and consumption.

Table 2
Florida's Electric Customers by Class and Consumption in 2019

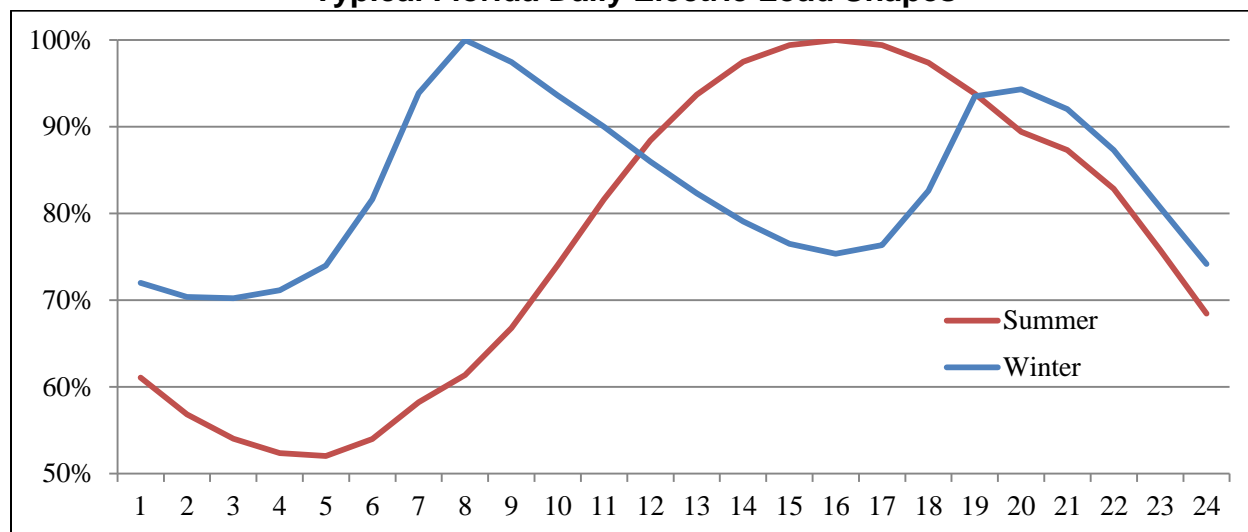
Customer Class	Number of Customers	Percent of Customers	Energy Sales (GWh)	Percent of Sales
Residential	9,583,632	87.6%	127,155	52.9%
Commercial	1,176,166	10.8%	86,831	36.1%
Industrial	25,245	0.2%	19,418	8.1%
Other*	153,454	1.4%	7,171	3.0%
Total	10,938,497	100.0%	240,576	100.0%

*Street and highway lighting, sales to public authorities, and interdepartmental sales.

Source: Commission's "Statistics of the Florida Electric Utility Industry" (Tables 26 and 33) published in October 2020.

Figure 1 shows the daily electric load curves for a typical Florida summer and winter day. In the summer, air conditioning demand starts to increase in the morning and peaks in the early evening; a pattern which aligns with the sun’s heating of buildings. In comparison, the winter load curve has two peaks—the largest in mid-morning, followed by a smaller peak in the late evening—which correspond to heating loads.

Figure 1
Typical Florida Daily Electric Load Shapes



Source: Electric IOU responses to Staff’s Data Request, re: 2020 Ten-Year Site Plan.

⁹ Annual data for 2019. <http://www.eia.gov/electricity/data.cfm#sales> Retail sales of electricity to ultimate consumers, annual, by sector by provider.

Residential load patterns are rapidly shifting and have high peak-to-trough variation. In contrast, commercial or industrial loads demonstrate more consistency throughout the 24-hour day and experience fewer spikes in demand.

Utilities dispatch additional generating capacity throughout the day to follow the customer load patterns. Peaking generating units, which are dispatched during high peak demand periods of the day, are less fuel-efficient than baseload or intermediate generating units. Utility DSM programs play a role in reducing energy usage and shifting peak demand. Therefore, they reduce the need to dispatch relatively fuel-inefficient generating units.¹⁰ Over time, the need for additional generating capacity has grown in Florida, in large part due to population growth. In addition to providing fuel savings at existing generating units, utility-sponsored DSM programs and conservation efforts by individual consumers can avoid or defer the need for new electric generating capacity.

Utility-sponsored DSM programs are funded by all ratepayers. Therefore, in order to meet FEECA requirements, the Commission and utilities must ensure that the DSM programs created to reap the benefits of reduced fuel usage and deferred generating capacity are cost-effective, i.e. less costly than generation. The Commission’s methodologies to determine the cost-effectiveness of demand-side management programs are explained in detail in Section 2.1.

FEECA has been successful in reducing the growth rates of weather-sensitive peak electric demand and conserving expensive fuel resources. Since its inception, FEECA utility-sponsored electric DSM programs have cumulatively saved 8,046 MW of summer peak demand and 7,373 MW of winter peak demand, referenced in Table 3. This reduction in peak demand has deferred the need for new generating capacity. In 2019, FEECA DSM programs saved 231 GWh, enough electricity to power approximately 17,373 homes for a year.¹¹ These energy savings have offset the use of existing generating units, resulting in fuel and variable operations and maintenance (O&M) cost savings.

Table 3
Estimated Cumulative DSM Savings Since 1980

Type	Savings
Summer Peak Demand	8,046 MW
Winter Peak Demand	7,373 MW
Annual Energy Reduction	11,348 GWh

Source: Florida Reliability Coordinating Council Load and Resource Plan 2020, S-3, S-4, S-5.

Currently, the electric FEECA utilities provide 110 programs for residential, commercial, and industrial customers. Programs focus on either reducing energy use at a given moment, which

¹⁰Electric generating units typically are categorized as baseload, intermediate, or peaking. Aside from planned and forced outages, baseload units are scheduled to operate continuously. Intermediate units generate power to follow load for periods of time, but are not planned to operate nonstop. Peaking units supplement baseload and intermediate power, operating during high-demand, or peak, periods.

¹¹Average Florida annual household kWh use is 13,296 kWh. Data from Forms EIA-861-schedules 4A-D, EIA-861S and EIA-861U. <https://www.eia.gov/tools/faqs/faq.php?id=97&t=3>

shifts/reduces demand, or toward reducing overall energy consumption over a period of time. Utility-sponsored DSM programs are an important means of achieving demand and energy savings and these programs are designed to encourage customer conservation efforts.

Additionally, residential energy audits, required by Section 366.82(11), F.S., serve as an avenue to identify and evaluate conservation opportunities for customers, including the potential participation in utility-sponsored DSM and conservation programs. Energy audits also educate customers on behavioral changes and energy efficiency investments they can make outside of utility-sponsored DSM programs. During 2019, FEECA electric utilities performed 241,025 residential audits. Though FEECA does not require commercial energy audits, FEECA electric utilities also performed 8,506 commercial energy audits in 2019. Additional information about these results is presented in Appendix C.

1.3 Recovery of Conservation Expenditures

The IOUs are allowed by Commission Rule 25-17.015, F.A.C., to recover reasonable expenses for DSM programs through the ECCR clause. Such expenses may include administrative costs, equipment, and incentive payments. Before attempting to recover costs through the ECCR clause, a utility must prove that its DSM programs are cost-effective. Utilities must have Commission approval for any new programs or program modifications prior to seeking cost recovery.

Commission Rule 25-17.015, F.A.C., also permits natural gas LDCs to seek recovery for costs related to Commission-approved conservation programs. While PGS is the only natural gas utility subject to FEECA, the other Florida LDCs offer Commission-approved DSM programs without a specific therm savings goal. Natural gas conservation programs have historically focused on providing rebates to residential customers that support the replacement of less efficient appliances with new, energy-efficient gas appliances. However, many LDCs have expanded their rebate programs to commercial customers.¹²

On an annual basis, the Commission conducts financial audits of DSM program expenses that are included in the electric IOUs' and LDCs' ECCR cost recovery requests. A full evidentiary hearing is held to determine the cost recovery factors to be applied to customer bills in the following year. The Commission-approved 2021 conservation cost recovery factors are discussed further in Section 4.

¹²Order No. PSC-14-0039-PAA-EG, issued January 14, 2014, in Docket No. 20130167-EG, *In re: Petition for approval of natural gas energy conservation programs for commercial customers, by Associated Gas Distributors of Florida*.

Section 2. DSM Goalsetting

2.1 DSM Program Cost-Effectiveness and Energy Savings

Section 366.81, F.S., requires utility conservation programs to be cost-effective. This statutory requirement is codified in Rule 25-17.008, F.A.C., for electric utilities and Rule 25-17.009, F.A.C., for natural gas LDCs. The rules identify the cost-effectiveness methodologies to be used and require that utilities provide cost and benefit information to the Commission when requesting to add a program or make changes or additions to an existing program.

The Commission requires that electric utilities measure cost-effectiveness from three perspectives, at a minimum - the program participant, the utility's ratepayers, and society's overall cost for energy services. The Participants test, the Rate Impact Measure (RIM) test, and the Total Resource Cost (TRC) test capture these viewpoints. The electric FEECA utilities are required to provide the results of all three tests when seeking to add a new program or make changes to an existing program.

Similarly, Rule 25-17.009, F.A.C., requires natural gas LDCs to prove that their conservation programs are cost-effective by passing the Participants test and Gas Rate Impact Measure Test (GRIM). The GRIM test is a modified version of the RIM test, specific to gas utilities. Natural gas LDCs are also required to provide the results of these tests when seeking to add a new program or modify an existing program.

Table 4 summarizes the costs and benefits considered in the three Commission-approved electric cost-effectiveness methodologies for electric utilities.

Table 4
Summary of Electric Cost-Effectiveness Methodologies

	Participants	RIM	TRC
Benefits			
Bill Reduction	X		
Incentives Received	X		
Avoided Generation (Capital and O&M)		X	X
Avoided Transmission (Capital and O&M)		X	X
Fuel savings		X	X
Costs			
Program Costs		X	X
Incentives Paid		X	
Lost Revenues		X	
Participant's Costs (Capital and O&M)	X		X

Participants Test

The Participants test analyzes costs and benefits from a program participant's point of view, rather than the impact on the utility and other ratepayers not participating in the program. The Participants test includes the up-front costs customers pay for equipment and costs to maintain this equipment. Benefits considered in the test include the incentives paid by utilities to the customers and the reduction in customer bills. Failure to demonstrate cost-effectiveness under this test would infer that rational customers would not elect to participate in this program.

Rate Impact Measure (RIM) Test

The RIM test is designed to ensure that all ratepayers, not just the program's participants, will benefit from a proposed DSM program. The RIM test includes the costs associated with incentive payments to participating customers and decreased revenues to the utility. DSM programs can reduce utility revenues due to reduced kilowatt-hour (kWh) sales and reduced demand. The decreased utility revenues typically are recovered from the general body of ratepayers at the time of a rate case. A DSM program that passes the RIM test ensures that all customer rates are the same or lower than rates would be without the DSM program.

Total Resource Cost (TRC) Test

The TRC test measures the overall economic efficiency of a DSM program from a social perspective. This test measures the net costs of a DSM program based on its total costs, including both the participants' and the utility's costs. Unlike the RIM test, customer incentives and decreased utility revenues are not included as costs in the TRC test. Instead, these factors are treated as transfer payments among ratepayers. Moreover, if appropriate, certain external costs and benefits such as environmental impacts may be taken into account. Because incentives and foregone revenues are not treated as "costs", electric rates for all customers tend to be higher for programs implemented solely using the TRC test to judge cost-effectiveness.

Ensuring Cost-Effectiveness

Ensuring utility-sponsored DSM programs remain cost-effective benefits the general body of electric ratepayers. These programs can reduce costs to ratepayers by postponing capital expenditures such as future power plant construction, and reducing current electrical generation costs, including fuel and variable O&M costs. DSM programs can also benefit customers by improving reliability.

When an IOU determines that a DSM program is no longer cost-effective, the utility must petition the Commission for modification or discontinuation of the program. In many instances, programs may need to be modified due to the adoption of a more stringent appliance efficiency standard or building code. In contrast, if new efficiency measures become available that are cost-effective, the utility may petition the Commission for approval of a new program.

2019 Electric DSM Goalsetting Proceeding

Pursuant to Sections 366.82(2) and 366.82(6), F.S., the electric FEECA utilities filed proposed goals for the 2020-2029 period in April 2019. The utilities proposed goals that were lower overall than those established in the 2014 goalsetting proceeding, with some utilities proposing goals of zero or near-zero for the 10-year period. A technical hearing on the proposed goals was held on August 12 and 13, 2019. The Commission heard testimony on cost-effectiveness tests,

whether a goal of zero fulfilled statutory requirements, how to account for free ridership, and how to ensure low-income customers are able to effectively participate in DSM programs.

By issuing Order No. PSC-2019-0509-FOF-EG¹³ on November 26, 2019, the Commission rejected the goals proposed by the electric FEECA utilities and chose to continue with the 2020-2024 portion of the goals established in the 2014 goalsetting proceeding.¹⁴ While the goalsetting process produces annual goals, the cumulative goals for the entire 10-year period are shown in Table 5 for illustrative purposes. The Commission also expressed a desire to review the goalsetting process for potential revisions, as appropriate, before the conclusion of the 2020-2024 period.

Table 5
Cumulative Commission-Approved Electric DSM Goals, 2015-2024

Electric Utility	Summer Demand Goals (MW)	Winter Demand Goals (MW)	Annual Energy Goals (GWh)
FPL	526.1	324.2	526.3
DEF	259.1	419.3	195.0
TECO	56.3	78.3	144.3
Gulf	68.1	36.7	84.2
FPUC	1.3	0.4	2.0
OUC	5.0	8.4	13.0
JEA	10.8	9.7	25.8
Total	926.7	877.0	990.6

Source: Order No. PSC-2014-0696-FOF-EU.

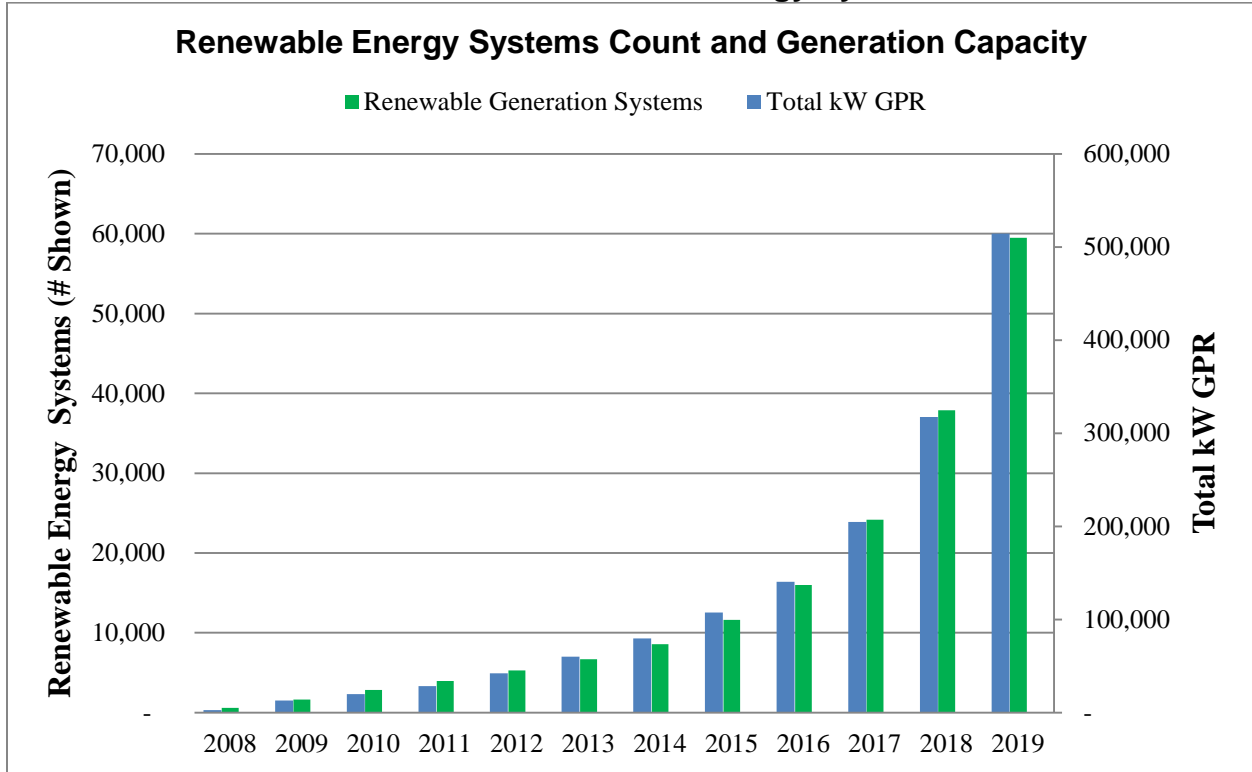
The goals established in 2014 were based upon estimated energy and demand savings from measures that passed both the RIM and Participants cost-effectiveness tests. Measures that pass the Participants test ensure that participating customers' benefits exceed the costs of the measure or program to the participants. Use of the RIM test minimizes subsidies between customers who participate in DSM programs and those who do not participate but pay for program expenditures. The RIM test also ensures rates would remain the same or lower than otherwise would occur.

As part of its review of goals in 2019, the Commission required the electric IOUs to continue implementing Rule 25-6.065, F.A.C., (Customer-owned Renewable Generation Rule) as a means of encouraging the development of demand-side renewable energy systems. Figure 2 shows the growth in the number of customer-owned renewable energy systems in Florida, as well as the growth in gross power ratings (i.e. generating capacity) from 2008 through 2019.

¹³ Order No. PSC-2019-0509-FOF-EG, issued November 26, 2019, in Docket Nos. 20190015-EG through 20190021-EG, *In re: Commission review of numeric conservation goals*.

¹⁴ Within 90 days of the issuance of the Order approving goals, the electric FEECA Utilities shall file individual DSM plans designed to meet their approved goals.

**Figure 2
Demand-Side Renewable Energy Systems**



Source: Data compiled from Interconnection and Net Metering Reports provided to the Commission from IOU, municipal, and rural electric cooperative electric companies, 2008-2019

2.2 Summary of the 2019 Goalsetting Process for Peoples Gas

PGS is the only natural gas utility that meets the therm sales threshold for establishing conservation goals under FEECA. In October 2018, PGS filed a petition for approval of numeric therm reduction goals for the 2019-2028 period. PGS estimated its goals based upon its current Commission-approved DSM programs. Because PGS had existing programs already in place, there is expected to be no additional cost to its customers, aside from the new audit programs. PGS utilized the Participants and GRIM tests to calculate its goals.¹⁵ The Commission approved the goals for PGS in Order No. PSC-2019-0361-PAA-GU, issued in August 26, 2019. Table 6 shows the 10-year therm-savings goals for PGS over the 2019-2028 period.

**Table 6
Commission-Approved DSM Goals for PGS, 2019-2028**

Cumulative Savings, in Therms		
Residential	Small-Commercial	Combined
3,749,583	2,426,634	6,176,217

Source: Order No. PSC-2019-0361-PAA-GU.

¹⁵Rule 25-17.009, F.A.C., requires natural gas conservation programs to pass the Participants test and the GRIM test in order to prove cost-effectiveness.

PGS was also required to develop a residential audit program as part of the goalsetting process. However, PGS filed for and was granted a waiver of Rules 25-17.003(3)(a) and (b), F.A.C., which require all FEECA utilities to offer residential customers three different types of on-site audits - Building Energy Efficiency Rating System (BERS) Audits, Computer-Assisted Audits, and Walk-Through Audits. PGS argued that the on-site audits would impose a substantial hardship on the Company and that the purpose of the underlying statute can be achieved by other means. The Commission allowed PGS to offer an electronic, online-only audit in lieu of on-site audits for residential customers. The Commission approved the implementation of the electronic audits for PGS's residential customers, as well as on-site audits for its commercial customers, beginning in 2020. Customers of PGS are still eligible to receive walk-through energy audits through their electricity provider.

2.3 Impact of Outside Factors on FEECA Utility DSM Programs

Conservation in Florida is prompted by customer actions to conserve energy, federal appliance efficiency standards and state building codes, and utility-sponsored DSM programs. Customers can save energy and reduce their bills through behavioral changes and by investing in energy efficient homes, appliances, and equipment. Federal appliance efficiency standards have become more stringent over time, thus increasing the baseline energy efficiency of new appliances and heating and air conditioning equipment available to Florida's consumers. Likewise, changes in the Florida State Building Code (FLBC) have resulted in more energy efficient new and renovated homes.

Utilities design DSM programs to encourage conservation that exceeds levels set by current building codes and minimum efficiency standards. More stringent efficiency standards and building codes, as well as customer actions to implement efficiency outside of utility programs, reduce the potential incremental demand and energy savings available from utility-sponsored DSM programs.

Federal efficiency standards and state building codes establish a baseline in assessing the cost-effectiveness of a potential DSM program. Florida utility DSM programs offer rebates and incentives for appliances that exceed federally established minimum efficiency standards. However, increases in federal efficiency standards, independent conservation efforts by consumers, and general conservation practices make it more challenging for utilities to achieve demand and energy savings through DSM programs. Moreover, participation rates in the utility programs are driven by the anticipated payback to the participating customer. While utility incentives tend to increase customers' "take rate" in conservation programs, electric rates are also a contributing factor in customers' decisions to invest in more efficient appliances. Thus, low or declining electric prices tend to reduce customer energy efficiency investments. This makes it crucial that the FEECA utilities frequently evaluate conservation programs to ensure that they remain cost-effective. Likewise, the FEECA utilities are also expected to evaluate the potential for new, cost-effective DSM program opportunities as energy-efficiency technologies develop.

The cost-effectiveness of DSM measures has declined due to several factors outside of the FEECA utilities' control. First, new federal efficiency standards and state building codes have

become more stringent over time. These higher standards and codes decrease the number of cost-effective DSM measures that can be offered by the electric utilities. Second, natural gas is the primary fuel source for electricity generation in Florida. The average price of natural gas fell from \$8.86/MMBtu in 2008 to \$3.73/MMBtu in 2013, the most recent full year before the Commission established the 2015-2024 DSM goals.¹⁶ In turn, lower natural gas prices reduced utility avoided costs, making fewer programs pass cost-effectiveness testing.¹⁷ Lower fuel prices can also impact customer participation in utility-sponsored DSM programs due to reduced monthly electric bills. As a result, customers could have less of an incentive to implement energy efficiency measures.

State Building Code

At the state level, the FLBC is amended annually to incorporate interpretations and clarifications as well as to update efficiency standards. The Florida Building Commission updates the FLBC with relevant new standards every three years. In 2017, the FLBC was updated and became effective in December 2017. After review of the updated FLBC and the existing DSM programs, it was found that there was no impact on the programs established as a result of the 2014 goalsetting proceeding. The FLBC is scheduled to be updated again in December 2020.

Federal Government Efficiency Standards

At the federal government level, the U.S. Department of Energy's (DOE) Building Technologies Office establishes minimum energy efficiency standards for more than 60 categories of appliances and other equipment, including HVAC equipment. According to DOE, "Products covered by standards represent about 90 percent of home energy use, 60 percent of commercial building use, and 30 percent of industrial energy use."¹⁸ From December 2018 to July 2019, DOE completed 14 rulemaking actions. During this period, the agency also completed one final rule for Conservation Standards that addressed External Power Supplies.

The DOE also has 73 pending Energy Conservation Standards and Test Procedures being considered or in development. Some of the products being considered for Conservation Standards and Test Procedures include:

- Automatic Commercial Ice Makers
- Ceiling Fans
- Dishwashers
- Faucets
- Showerheads

Further details can be found on the DOE Office of Energy Efficiency and Renewable Energy's buildings reports website at <http://energy.gov/eere/buildings/reports-and-publications>.

¹⁶EIA Henry Hub Natural Gas Spot Price Annual Average <https://www.eia.gov/dnav/ng/hist/rngwhhdD.htm>

¹⁷Current gas prices have remained low at \$2.56/MMBtu as of August 28, 2020.
<https://www.eia.gov/naturalgas/weekly/>

¹⁸<http://energy.gov/eere/buildings/appliance-and-equipment-standards-program>

Federal standards that change the baseline requirements for a product may have a direct effect on DSM programs. If a federal standard change occurs, the utilities must file petitions modifying the associated program to account for the new established baseline.

Section 3. FEECA Utilities' Goal Achievements

3.1 Assessing Goal Achievement

Commission rules require separate goals be set for electric residential and commercial/industrial (C/I) customers, assigning context to measuring goal achievement within these two primary customer categories. Each utility's achievements in these categories are also combined and compared against total goals.

Each FEECA utility must file an annual DSM report pursuant to Rule 25-17.0021, F.A.C., which summarizes demand savings, energy savings, and customer participation rates for each approved program. The report also includes the residential, C/I, and total energy efficiency achievements compared to the approved DSM goals. Each FEECA utility's current (2019) and archived annual DSM reports from prior years can be found on the Commission's website: <http://www.floridapsc.com/>.

Monitoring annual goal achievements enables the Commission to evaluate the effectiveness of each utility's programs. In addition to reviewing the FEECA utilities' annual DSM reports, staff may request additional information from the utilities on their demand and energy saving achievements. Staff's data requests can, for example, seek explanations of factors preventing the utilities from achieving projected participation levels. Each FEECA utility's DSM performance in 2019 is discussed below. The utility achievements have been compared to the annual goals established by the Commission in November 2014. Table 7 provides a breakdown of each electric utility's goal achievements for the period.

FPL

FPL met its 2019 total goals and all individual demand goals. However, it achieved 90 percent of its total Residential Energy Savings Goal. FPL cited changes in the air conditioning marketplace for the lack of residential savings.

DEF

DEF met its 2019 total goals and all individual customer class goals.

TECO

TECO met its 2019 total goals and all individual customer class goals.

Gulf

Gulf was unable to achieve any of its 2019 goals. Gulf cited lack of customer interest in its energy audits (see Tables 15 and 16), more stringent building and appliance codes, and low incentive levels as reasons for its shortage of energy and demand savings.

FPUC

FPUC met all of its 2019 total and residential goals; however, it did not meet any of its C/I goals. The Company cited a lack of customer interest in its C/I programs and low incentives as factors.

JEA

JEA met its 2019 total goals and all individual customer class goals.

OUC

OUC met its 2019 total goals and all individual customer class goals.

Table 7
Electric DSM Goals Compared to Annual (2019) Achievements

Utility	Winter (MW)		Summer (MW)		Annual (GWh)	
	Goals	Achieved Reduction	Goals	Achieved Reduction	Goals	Achieved Reduction
FPL*						
Residential	16.4	19.7	26.5	29.8	24.2	21.7
Commercial/Industrial	15.7	18.8	25.8	29.7	27.3	32.5
Total	32.1	38.5	52.3	59.4	51.5	54.2
DEF						
Residential	38.0	46.0	18.0	27.0	13.0	43.0
Commercial/Industrial	5.0	70.0	9.0	91.0	8.0	38.0
Total	43.0	116.0	27.0	118.0	21.0	81.0
TECO						
Residential	7.6	8.3	3.1	5.7	6.9	16.8
Commercial/Industrial	1.6	22.4	3.3	29.2	9.9	74.6
Total	9.2	30.7	6.4	35.0	16.8	91.4
Gulf						
Residential	3.40	1.86	5.90	2.58	6.00	3.80
Commercial/Industrial	0.20	0.02	0.70	0.49	2.20	1.09
Total	3.60	1.88	6.60	3.07	8.20	4.89
FPUC						
Residential	0.03	0.11	0.08	0.19	0.05	0.39
Commercial/Industrial	0.02	0.00	0.05	0.01	0.15	0.03
Total	0.05	0.11	0.13	0.20	0.20	0.42
JEA						
Residential	0.96	2.06	0.94	2.81	2.50	6.30
Commercial/Industrial	0.01	0.02	0.14	0.77	0.08	2.15
Total	0.97	2.08	1.08	3.58	2.58	8.45
OUC						
Residential	0.21	0.35	0.20	0.50	0.72	1.03
Commercial/Industrial	0.66	2.56	0.37	3.03	0.82	11.33
Total	0.87	2.91	0.57	3.54	1.54	12.36

*Bold numbers indicate the utility did not meet its annual goals within that category.

Source: FEECA utilities' demand-side management annual reports.

PGS

Table 8 provides a breakdown of the goal achievements for PGS for the period. Therm-savings goals for PGS were first approved in August, 2019. PGS met its 2019 total goals and all individual customer class goals.

Table 8
PGS DSM Goals Compared to Annual (2019) Achievements

Utility	Annual Energy Reduction, in Therms	
	Goals	Achieved Reduction
PGS		
Residential	338,439	392,946
Commercial/Industrial	216,155	375,139
Total	554,594	768,084

Source: PGS' DSM annual report.

3.2 Low-Income Programs

The 2014 DSM Goals Order¹⁹ states, “When the FEECA utilities file their DSM implementation plans, each plan should address how the utilities will assist and educate their low-income customers, specifically with respect to the measures with a two-year or less payback.”²⁰ In accordance with this Order, each electric FEECA utility has implemented programs within its DSM plan that address low-income conservation. Low-income customer participation in energy conservation programs furthers the intent of FEECA by encouraging potential demand and energy reduction in the State of Florida. Customers that participate in these programs benefit through increased knowledge of conservation opportunities and through rebates on energy saving equipment, resulting in potential bill reduction.

Low-income programs mainly focus on efforts to provide energy efficiency information, weatherization opportunities and the installation of energy efficient measures to residential homes. In many cases, the utilities have established partnerships with government and non-profit agencies. They work together to help identify low-income neighborhoods and educate customers on conservation opportunities through energy audits, bill inserts, presentations, and other measures.

All of the electric FEECA utilities submitted programs in 2015 in their DSM plans highlighting how they reach and encourage qualifying customers. Each FEECA utility’s conservation efforts with respect to low-income customers during 2019 are discussed below.²¹

¹⁹The 2014 DSM Goals Order references electric utilities only.

²⁰Order No. PSC-14-0696-FOF-EU, issued December 16, 2014, in Docket Nos. 20130199-EI through 20130205-EI, *In re: Commission review of numeric conservation goals*.

²¹This report covers the programs in 2019, which were a part of the 2015 approved DSM Plans. The newly approved 2020 DSM plans and programs will be addressed in next year’s report.

FPL

FPL states that its energy audit, the Residential Energy Survey, is available to all customers and is a way to identify energy-saving opportunities at no cost to the customer. In 2017, FPL continued to enhance the Energy Retrofit sector of its Residential Low-Income Program. Changes included proactive outreach to customers in designated low-income zip codes to offer retrofit services. It also allowed field service representatives the ability to perform retrofits in designated low-income zip codes during energy surveys. These enhancements helped the program exceed projected participation in each period since 2017. Participation levels in 2019 were approximately 40 percent higher than FPL's original projection.

DEF

DEF offers information to its customers about energy conservation programs through bill inserts, the Company's website, and community outreach efforts. DEF's outreach efforts include meetings with community leaders and presentations at local conferences. In 2019, DEF hosted neighborhood dinner meetings at local community centers where they shared information about how to lower utility bills and explained the opportunities available through DEF's Low-Income Weatherization Assistance Program and other DSM programs.

TECO

TECO utilizes a multi-pronged approach of communication and education to reach out to low-income customers. Over the past few years, TECO has increased customer awareness by adding several new communication avenues, largely in social media, and focusing on increasing participation in energy education and awareness events. In 2019, TECO reviewed its low-income programs in order to make changes in 2020, including providing direct market materials to its Neighborhood Weatherization Program team.

Gulf

Gulf's customer service representatives provide conservation program information, as appropriate, when customers contact the Company with billing concerns or questions about savings options. These services, as well as the audit programs it offers, are available to all customers regardless of economic status. Gulf specifically targets lower-income neighborhoods via its Community Energy Saver program. Gulf has also partnered with the Salvation Army to provide an instructor-led energy education session as part of the agency's financial literacy training for clients. Since 2018, this partnership has provided an additional avenue for Gulf to access customers who are in the most need of assistance.

FPUC

In 2019, the Company hosted on-site events to educate its customers about energy efficiency and to offer energy conservation surveys and measures to combat high electrical usage. These events targeted low-income senior centers or housing developments. On an on-going basis, the Company searches for opportunities like this to reach this key demographic.

JEA

JEA provides a specific program for low-income customers called its Neighborhood Energy Efficiency Program. This program includes the installation of conservation products and provides energy education packets that give customers energy-saving ideas and information

about JEA's other DSM programs, as well as community conservation programs. JEA also provides speakers from its Ambassador Team to give a "Savings Without Sacrifice" presentation to neighborhood associations, churches, schools, community development groups, and other organizations in low-income neighborhoods. JEA holds regular meal events with leaders of multiple advocacy groups for low-income customers, seniors, and disabled persons to keep these leaders aware of utility programs, changes, and resources.

OUC

In 2019, OUC continued its Project Care and Efficiency Delivered programs to reach low-income customers. Project Care assists customers in paying their energy bills and implementing energy efficiency measures. OUC donates \$2 for every \$1 donated to the program. Efficiency Delivered offers up to \$2,000 of energy and water efficiency upgrades. For households with income of less than \$40,000, OUC pays 85 percent of costs. Qualified participants pay the remaining 15 percent over the first 12 months, interest free.

OUC's Power Pass Program allows customers to pay-as-they-go or pay in advance for utility services. The program is ideal for low-income customers because it requires no deposits, late fees, or monthly bills.

3.3 Investor-Owned Utility Research and Development Programs

In addition to specific DSM programs that provide measurable demand and energy savings, the five electric IOUs conduct conservation research and development initiatives to evaluate emerging DSM opportunities. In these programs, Florida's electric IOUs often partner with universities or established industry research organizations. With the constant arrival of new electricity-consuming products and new technologies, research and development by Florida's electric IOUs creates a unique opportunity to identify emergent options to conserve electricity. The recent initiatives undertaken by the electric IOUs are discussed below.

FPL

FPL participates in relevant co-funded projects through the DOE and national organizations such as Electric Power Research Institute (EPRI). This co-funding approach enables FPL to participate in larger research projects and gain insights at a fraction of the total cost. In 2018, FPL continued its participation in multiple EPRI programs, such as the Technology Innovation Program and the End-Use Energy Efficiency and Demand Response Research Program. These projects are ongoing and therefore did not produce any final reports in 2019.

DEF

DEF continued a project with the University of South Florida to leverage customer-sited solar PV and energy storage for a cost-effective demand response program. DEF also continued its research on CTA-2045 Technology, a port that enables connected appliances to receive and execute commands, and its potential for energy conservation programs. The Company continued to work on numerous other projects, including Energy Management Circuit Breakers, cloud communications to control variable-capacity heat pumps, and gathering data on how customers charge their electric vehicles. New for 2019, DEF is looking into leveraging DSM of residential loads to provide grid resiliency and launched a project to document the value of long-duration customer-side energy storage systems.

TECO

In 2019, TECO continued several of its battery storage research initiatives, including a project exploring the use of large commercial electric vehicle lithium-ion batteries to export power to the Company's grid during peak times. TECO also continued examining a Commercial Small to Mid-sized Business Online Energy Audit program and researching Home Energy Management Systems, including Heat Pump Water Heaters, in its Energy Planner Program.

Gulf

Gulf completed two projects in 2018 that revolve around the Tesla Powerwall, a rechargeable energy storage product designed for home use. The Tesla Powerwall Demand Response project investigates the ability of the Powerwall to improve the effectiveness of current DSM programs, specifically its impact on load-shifting and peak reduction. The Tesla Powerwall Demand Photovoltaic Project evaluates the impact of solar shifting and solar smoothing, and how battery storage may be able to overcome the typical shortcomings of grid-tied solar photovoltaics. Gulf did not initiate any new projects in 2019.

FPUC

In 2019, FPUC installed the second and third systems in its Distributed Battery Technology Pilot Program. This research explores the impacts battery technology has on FPUC's electrical system and how this may provide future benefits to customers. FPUC is currently monitoring the performance of the program's solar array while connected to various battery systems.

Section 4. Conservation Cost Recovery

Florida's IOUs are allowed to recover reasonable expenses for Commission-approved DSM programs through cost recovery clauses. For electric IOUs, the recovery mechanism is the ECCR clause. For natural gas LDCs, the recovery mechanism is the Natural Gas Conservation Cost Recovery (NGCCR) clause. These costs include utility expenses such as administrative costs, equipment, and incentive payments to customers. Before requesting recovery of costs through the ECCR clause, an electric IOU must prove that its DSM programs are cost-effective and benefit the general body of ratepayers. The Commission conducts a financial audit each year prior to approving cost recovery of these expenses.

4.1 Electric IOU Cost Recovery

From 2010 through 2014, annual electric utility expenditures to fund conservation programs grew due to additions and modifications of these programs. However, annual costs recovered from customers through the ECCR clause after 2014 have declined for most IOUs, due to DSM program modifications designed to meet the Commission's 2014 goals. Table 9 shows the annual DSM expenditures recovered by Florida's IOUs from 2010-2019.

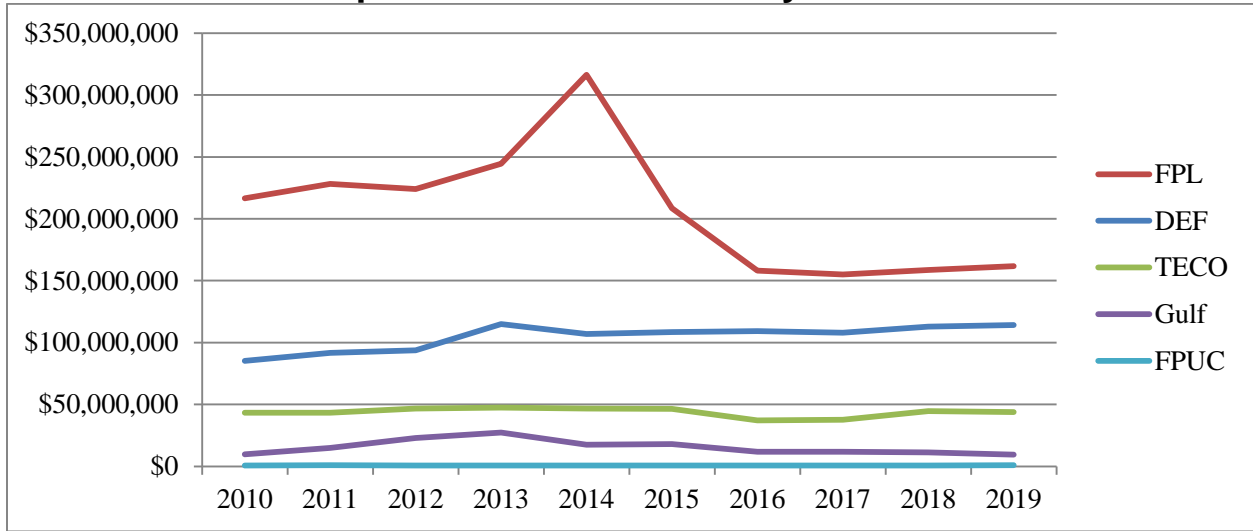
Table 9
DSM Expenditures Recovered by IOUs

	FPL	DEF	TECO	Gulf	FPUC	Total
2010	\$216,568,331	\$85,354,924	\$43,371,442	\$9,859,407	\$693,331	\$355,847,435
2011	\$228,293,640	\$91,738,039	\$43,349,092	\$15,003,596	\$954,297	\$379,338,664
2012	\$224,033,738	\$93,728,110	\$46,593,831	\$22,885,826	\$695,235	\$387,936,740
2013	\$244,443,534	\$115,035,455	\$47,502,652	\$27,431,962	\$806,698	\$435,220,301
2014	\$316,311,166	\$107,033,335	\$46,620,508	\$17,412,618	\$772,612	\$488,150,239
2015	\$208,643,788	\$108,455,141	\$46,516,401	\$17,961,885	\$718,616	\$382,295,831
2016	\$158,174,787	\$109,155,438	\$37,242,148	\$11,915,459	\$687,590	\$317,175,422
2017	\$154,916,595	\$107,890,962	\$37,585,598	\$11,854,558	\$640,996	\$312,888,709
2018	\$158,735,829	\$112,863,333	\$44,558,717	\$11,399,250	\$656,154	\$328,213,283
2019	\$161,738,898	\$114,084,224	\$43,988,528	\$9,607,262	\$865,843	\$330,284,755
Total						\$3,717,351,379

Source: Docket Nos. 20110002-EG through 20200002-EG, Schedules CT-2 from the IOUs' May testimony.

Figure 3 shows the trends in annual DSM expenditures for the five electric IOUs from 2010 to 2019.

**Figure 3
DSM Expenditures Recovered by Electric IOUs**



Source: Docket Nos. 20110002-EG through 20200002-EG, Schedules CT-2 from the IOUs' May testimony.
 *FPL's 2014 recovery included a one-time \$56.3 million capacity payment to Solid Waste Authority of Palm Beach County.

During the annual ECCR clause proceedings, the Commission approves the ECCR factors, by customer class, which each utility will apply to the energy and demand portions of customer bills. These factors are set using each IOU's estimated conservation costs for the next year and reconciliation for any actual conservation cost over- or under-recovery amounts associated with the current and prior years.

In November 2020, the Commission set the ECCR factors for the 2021 billing cycle. Table 10 illustrates the approved ECCR factors and the monthly bill impact for a residential customer. For illustrative purposes, these factors are applied to a typical monthly residential bill based on a 1,000 kilowatt-hour (kWh) per month energy usage.

**Table 10
Residential Energy Conservation Cost Recovery Factors in 2021**

Utility*	ECCR Factor (cents per kWh)	Monthly Bill Impact (Based on 1,000 kWh)
FPL	0.149	\$1.49
DEF	0.338	\$3.38
TECO	0.166	\$1.66
Gulf	0.090	\$0.90
FPUC	0.150	\$1.50

*While JEA and OUC fall under the FEECA Statute, the Commission does not regulate electric rates for municipal utilities.

Source: Order No. PSC-2020-XXX (order not yet issued, but will be prior to publication), Docket No.

4.2 Natural Gas Cost Recovery

Commission Rule 25-17.015, F.A.C., establishes a mechanism for recovery of reasonable costs attributed to natural gas conservation programs. While PGS is the only natural gas utility subject to FEECA, the other LDCs covered in this section offer Commission-approved DSM programs without a specific therm savings goal. As it does for the electric IOUs, the Commission also conducts financial audits of the LDCs' conservation expenditures on a yearly basis and adjusts the LDCs' cost recovery factors to allow for recovery of actual and projected program-related costs. Table 11 shows the amounts each LDC recovered in natural gas conservation program expenditures from 2010-2019.

Table 11
DSM Expenditures Recovered by LDCs

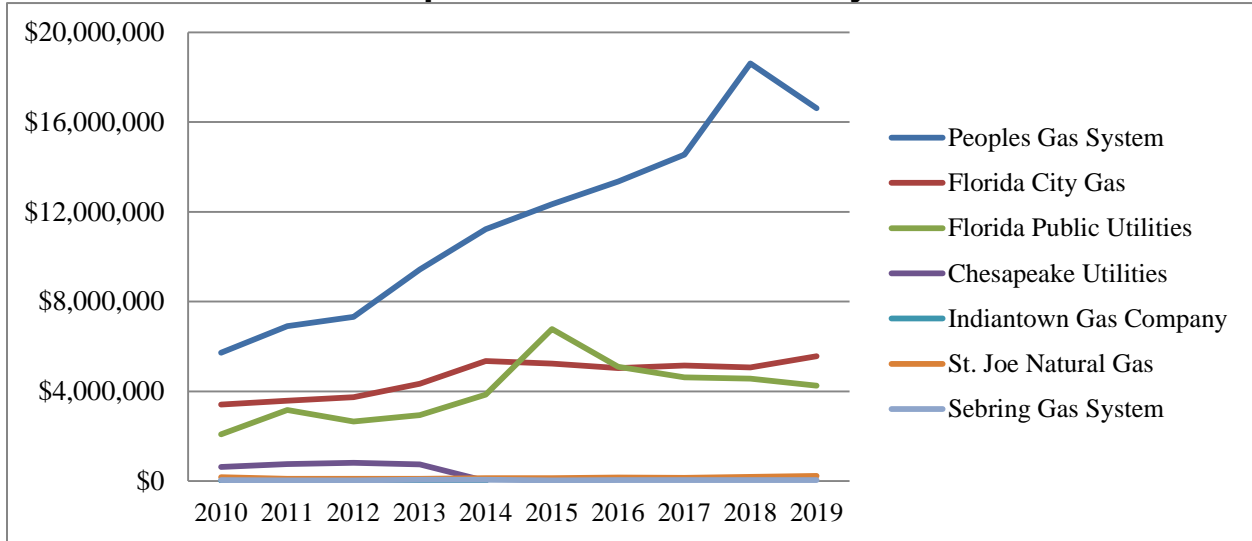
	Peoples Gas System	Florida City Gas	Florida Public Utilities	Chesapeake Utilities	Indiantown Gas Company	St. Joe Natural Gas	Sebring Gas System	Total
2010	\$5,721,003	\$3,404,142	\$2,084,724	\$627,734	\$8,733	\$170,374	\$37,283	\$12,053,993
2011	\$6,906,668	\$3,573,513	\$3,163,050	\$755,779	\$11,357	\$106,300	\$34,640	\$14,551,307
2012	\$7,314,940	\$3,743,811	\$2,655,654	\$806,747	\$5,238	\$102,425	\$25,090	\$14,653,905
2013	\$9,432,551	\$4,342,603	\$2,935,140	\$742,412	\$10,222	\$96,575	\$53,967	\$17,613,470
2014	\$11,229,211	\$5,343,191	\$3,844,386			\$128,000	\$58,382	\$20,603,170
2015	\$12,335,245	\$5,240,383	\$6,768,175			\$123,400	\$33,563	\$24,500,766
2016	\$13,345,716	\$5,037,863	\$5,098,245	*	*	\$156,250	\$36,801	\$23,674,875
2017	\$14,543,555	\$5,149,573	\$4,617,501			\$144,900	\$42,237	\$24,497,766
2018	\$18,605,532	\$5,067,917	\$4,562,021			\$190,625	\$47,126	\$28,473,221
2019	\$16,619,336	\$5,564,237	\$4,252,769			\$231,600	\$46,184	\$26,714,126
Total								\$207,336,599

Source: Docket Nos. 20110004-GU through 20200004-GU, Schedules CT-2 from LDCs' May testimony.

* Spending combined with Florida Public Utilities Company

Figure 4 shows the trends in annual conservation expenditures for all LDCs from 2010 to 2019. In 2013, the Commission approved the LDCs’ Commercial Conservation programs, resulting in additional overall conservation expenditures.²²

Figure 4
DSM Expenditures Recovered by LDCs



Source: Docket Nos. 20110004-EG through 20200004-EG, Schedules CT-2 from the LDCs’ May testimony.

In November 2020, the Commission set the natural gas LDC conservation cost recovery factors for the 2021 billing cycle. Table 12 provides the LDCs’ residential conservation cost recovery factors for 2021 and the impact on a typical residential customer’s bill using 20 therms of natural gas per month.

Table 12
Residential Natural Gas Conservation Cost Recovery Factors in 2021

Utility	Cost Recovery Factor (Cents per Therm)	Monthly Bill Impact (Based on 20 Therms)
Peoples Gas System	9.591	\$1.92
Florida City Gas	26.401	\$5.28
Florida Public Utilities	7.642	\$1.53
Chesapeake Utilities	12.747	\$2.55
Indiantown Gas Company	7.366	\$1.47
St. Joe Natural Gas	57.353	\$11.47
Sebring Gas System	10.222	\$2.04

Source: Order No. PSC-2020-XXX (order not yet issued, but will be prior to publication).

²²Order No. PSC-14-0039-PAA-EG, issued January 14, 2014, in Docket No. 20130167-EG, *In re: Petition for approval of natural gas energy conservation programs for commercial customers, by Associated Gas Distributors of Florida*.

Section 5. Educating Florida’s Consumers on Conservation

5.1 Commission Consumer Education Outreach

While the Commission has statutory authority to require conservation efforts by regulated utilities, as part of the agency’s outreach program, the Commission complements utility efforts with its own conservation related activities. To effectively reach as many consumers as possible, the Commission’s consumer education program uses a variety of platforms to share conservation information, including the Commission website, public events, brochures, press releases, E-Newsletters, and Twitter. Conservation information is also available through other governmental and utility websites. Section 5.2 lists related websites for state and federal agencies, investor-owned electric utilities, and local gas distribution companies to further assist consumers. Most of the data in this section covers October 2019 through September 2020.

Triple E Award

Each quarter, the Commission recognizes a small business for implementing Commission approved, cost-effective conservation programs. Covering the state’s five major geographic areas, the Commission presents its Triple E Award—for Energy Efficiency Efforts—to a local business that has accomplished superior energy efficiency by working with its local utility to help reduce its energy footprint. Triple E Award recipients receive an award plaque; are featured under Hot Topics on the FPSC homepage, www.Floridapsc.com, and are highlighted statewide via a press release, tweeted @floridapsc, and archived on the [FPSC website](#).

Website Outreach Resources

An assortment of information is available on the Commission website to help consumers save energy. According to Google Analytics, website page views for October 1, 2019 through August 18, 2020 totaled over 1.1 million. Requests to use the Commission’s Conservation House, highlighted on the homepage, have come from the U.S. and also overseas. Its interactive design illustrates energy saving strategies for both inside and outside the home. “Find Your Utility” and “Lifeline Assistance” pages were among the most heavily visited of the Consumer Assistance pages.

The Commission also offers several energy conservation brochures to help consumers save energy. Brochures may be viewed and printed directly from the website, FloridaPSC.com/publications, ordered online, or requested by mail or phone. From October 2019 through September 2020, the FPSC received more than 25,000 requests for brochures.

Newsletters

The Commission’s quarterly [Consumer Connection E-Newsletter](#) features current energy and water conservation topics, consumer tips, and general Commission information. Consumer tips and information highlighted through video and text during the reporting period include: Chairman Gary Clark’s message on National Consumer Protection Week, the Florida Channel’s “On the Line” coverage of the Commission’s Conservation Goals and Storm Hardening meeting, and FPSC Encourages Hurricane Preparedness/Utilities Prepare For Busy Storm Season. The

Consumer Connection E-Newsletter is available under Consumer Corner on the Commission's homepage and distributed to consumers via Twitter (@floridapsc) and by subscribing to the free [newsletter](#) online.

National Consumer Protection Week

National Consumer Protection Week (NCPW), highlighting consumer protection and education efforts, was instrumental to the Commission's 2020 conservation education efforts. Chairman Gary Clark recognized the 22nd Annual NCPW (March 1-7, 2020) with the importance of education and awareness about utility services and about avoiding scams targeting utility customers. The Commission keeps consumers informed year-round through outreach awareness and education events, free resources, and hearings, meetings and workshops. Also during the week, the Commission made presentations to consumers statewide showing them how to save money through energy and water conservation and how to avoid scams. For 13 years, the FPSC has joined government agencies, advocacy organizations, and private sector groups nationwide to highlight NCPW.

Older Americans Month

Each May, the Commission participates in Older Americans Month, a national project to honor and recognize older Americans for their contributions to families, communities, and society. "Make Your Mark" was this year's theme, but the Commission had to cancel its planned 2020 educational sessions due to the COVID-19 pandemic. Also canceled in May was the Jacksonville Expo, which the Commission annually attends for consumer outreach.

Energy Awareness Month

Each October, the U.S. Department of Energy (DOE) sponsors National Energy Awareness Month to promote smart energy choices and highlight economic and job growth, environmental protection, and increased energy independence. In 2019, the Commission created a Twitter campaign, #NationalEnergyAwarenessMonth, providing daily energy saving tips to its followers throughout the month of October.

Community Events

FPSC Commissioners are active in communities around the state and regularly present energy conservation information to students at area schools, to seniors and low-income residents at local community centers, and to county and city businesses at meetings or other events.

Through ongoing partnerships with governmental entities, consumer groups, and many other service organizations, the Commission regularly distributes energy and water conservation materials. The Commission also actively seeks new community events, venues, and opportunities where conservation materials can be distributed and discussed with consumers. With in-state travel suspended in April 2020 due to the COVID-19 pandemic, many outreach events were canceled during the reporting period. The following are events where conservation information was shared:

- Taylor Senior Center
- Leon County Lunch and Learn, Bradfordville Community Center
- Hands of Central Florida

- Leon County Lunch and Learn, Lake Jackson
- Dixie County Senior Service Center
- Levy County Senior Service Center
- Leon County Lunch and Learn – Ft. Braden Community Center
- Lake Jackson Community Center
- Lake Panasoffkee Senior Center
- 21st Annual Active Living Expo (2-day event)
- Museum of Florida History’s 37th Annual Children’s Day
- Florida Children’s Week at the Florida Capitol
- Florida Senior Day – Florida Capitol
- Gilchrist Senior Service Center
- Lafayette Senior Service Center
- Bethel Towers Senior Independent Living Facility
- Lane Wiley Senior Center
- Jim Fortuna Senior Center
- Bay County Council on Aging
- Callaway Arts and Conference Center
- New Smyrna Beach Senior Center
- Deltona Senior Center
- Lunch and Learn - Miccosukee Community Center

Hearings and Customer Meetings

As an ongoing outreach initiative, the Commission supplies conservation brochures to consumers at Commission hearings and customer meetings across the state. From October 2019 through September 2020, Commission staff distributed information and addressed consumer questions at 8 public hearings and meetings. Consumers who file a complaint with the Commission about high electric or natural gas bills also receive conservation information.

Library Outreach Campaign

Each August, the Commission provides educational packets, including conservation materials, to Florida public libraries across the state for consumer distribution. The Commission’s Library Outreach Campaign reached 616 state public libraries and branches in 2020. To reduce mailing and production costs, the Commission’s 2020 campaign included a cover letter, book marks, and our consumer-friendly brochure order form. Following the Campaign, the FPSC filled many libraries’ brochure order requests.

Media Outreach

News releases are posted to the website and distributed via email and Twitter on major Commission decisions, meetings, and public events. The Office of Consumer Assistance & Outreach also issues news releases urging conservation. For instance, in March, the Commission highlighted the federal government’s Fix a Leak Week and offered easy repairs to save valuable water and money, and in April, Water Conservation Month was recognized. For May’s National Drinking Water Week, the FPSC reminded consumers to conserve water.

Youth Education

The Commission emphasizes conservation education for Florida's young consumers. During 2019 and 2020, the Commission continued to produce its student resource booklet, [*Get Wise and Conserve Florida!*](#), to teach children about energy and water conservation. The booklet is promoted to all public libraries through the Library Outreach Program and is available at all Commission outreach events. The student resource book also continues to be a favorite during senior events.

5.2 Related Websites

State Agencies and Organizations

Florida Public Service Commission – <http://www.floridapsc.com/>

Florida Department of Environmental Protection – <http://www.dep.state.fl.us>

The Office of Energy – <https://www.fdacs.gov/Divisions-Offices/Energy>

Florida Solar Energy Center – <https://energyresearch.ucf.edu/>

Florida Weatherization Assistance – <https://www.benefits.gov/benefit/1847>

Florida's Local Weatherization Agencies List – <https://floridajobs.org/community-planning-and-development/community-services/weatherization-assistance-program/contact-your-local-weatherization-office-for-help>

U.S. Agencies and National Organizations

U.S. ENERGY STAR Program – <https://www.energystar.gov/>

U.S. Department of Energy – Energy Efficiency and Renewable Energy Information <http://www.eere.energy.gov/>

National Energy Foundation – <https://nef1.org/>

Florida's Utilities Subject to FEECA

Florida Power & Light Company – <http://www.fpl.com/>

Duke Energy Florida, LLC – <http://www.duke-energy.com/>

Tampa Electric Company – <http://www.tampaelectric.com/>

Gulf Power Company – <http://www.gulfpower.com/>

Florida Public Utilities Company – <http://www.fpuc.com/>

JEA – <http://www.jea.com/>

Orlando Utilities Commission – <http://www.ouc.com/>

Peoples Gas System – <http://www.peoplesgas.com/>

Florida's Investor-Owned Natural Gas Utilities

Florida City Gas – <http://www.floridacitygas.com/>

Florida Division of Chesapeake Utilities – <http://www.chpk.com/companies/chesapeake-utilities/>

Florida Public Utilities Company – <http://www.fpuc.com/>

Florida Public Utilities Company – Ft. Meade Div. – <http://www.fpuc.com/fortmeade/>

Florida Public Utilities Company – Indiantown Div. – <http://www.fpuc.com/about/fpufamily>

Peoples Gas System – <http://www.peoplesgas.com/>

Sebring Gas System – <http://www.sebringgas.com/>

St. Joe Natural Gas Company – <http://www.stjoenaturalgas.com/>

Appendix A. FEECA Utilities' Conservation Programs

Electric IOUs

Florida Power & Light Company https://www.fpl.com/save/programs-and-resources.html	
Residential Programs	Residential Home Energy Survey Residential Ceiling Insulation Residential Air Conditioning Residential New Construction (BuildSmart) Residential Low-Income Residential Load Management (On Call)
Commercial/Industrial Programs	Business Energy Evaluation Business Lighting Business Heating, Ventilating, and Air Conditioning Business Custom Incentive Business On Call Commercial/Industrial Load Control (CILC) Commercial/Industrial Demand Reduction (CDR)
Other	Conservation Research and Development (CRD) Cogeneration & Small Power Production

Duke Energy Florida, LLC https://www.duke-energy.com/home/savings	
Residential Programs	Home Energy Check Residential Incentive Low-Income Weatherization Assistance Program Neighborhood Energy Saver Residential Energy Management
Commercial/Industrial Programs	Business Energy Check Commercial Energy Management Better Business Florida Custom Incentive Standby Generation Interruptible Service Curtable Service
Other	Technology Development Qualifying Facility

Tampa Electric Company http://www.tampaelectric.com/residential/saveenergy/ http://www.tampaelectric.com/business/saveenergy/	
Residential Programs	Residential Energy Audits Residential Ceiling Insulation Residential Duct Repair Residential Electronically Commutated Motors (ECM) Energy Education, Awareness, and Agency Outreach ENERGY STAR Multi-Family ENERGY STAR for New Homes Residential Heating and Cooling Neighborhood Weatherization (Low-Income) Residential Price Responsive Load Management (Energy Planner) Residential Wall Insulation Residential Window Replacement
Commercial/Industrial Programs	Commercial/Industrial Energy Audits Commercial Ceiling Insulation Commercial Chiller Cogeneration Conservation Value Commercial Cool Roof Commercial Cooling Demand Response Commercial Duct Repair Commercial Electronically Commutated Motors (ECM) Industrial Load Management (GSLM 2&3) Lighting Conditioned Space Lighting Non-Conditioned Space Lighting Occupancy Sensors Commercial Load Management Refrigeration Anti-Condensate Control Standby Generator Thermal Energy Storage Commercial Wall Insulation Commercial Water Heating
Other	Conservation Research and Development Renewable Energy

Gulf Power Company https://www.gulfpower.com/residential/savings-and-energy https://www.gulfpower.com/business/savings-and-energy	
Residential Programs	Residential Energy Audit and Education Community Energy Saver (Low-Income) Residential Custom Incentive HVAC Efficiency Improvement Residential Building Efficiency Energy Select Residential Service Time of Use Pilot
Commercial/Industrial Programs	Commercial/Industrial Energy Analysis Commercial HVAC Retrocommissioning Commercial Building Efficiency Commercial/Industrial Custom Incentive Critical Peak Option
Other	Conservation Demonstration and Development

Florida Public Utilities Company http://www.fpuc.com/electric/residential/rebates/ http://www.fpuc.com/electric/commercial/commercial-rebates/	
Residential Programs	Residential Energy Survey Residential Heating and Cooling Efficiency Upgrade
Commercial/Industrial Programs	Commercial Energy Consultation Commercial Heating and Cooling Efficiency Upgrade Commercial Reflective Roof Commercial Chiller Upgrade
Other	Low-Income Energy Outreach Conservation Demonstration and Development

Electric Municipal Utilities

JEA	
https://www.jea.com/ways_to_save/home/ https://www.jea.com/ways_to_save/business/	
Residential Programs	Residential Energy Audit Residential Solar Water Heating Residential Solar Net Metering Neighborhood Efficiency (Low-Income) Residential Efficiency Upgrade Energy Efficient Products Residential New Build
Commercial/Industrial Programs	Commercial Energy Audit Commercial Solar Net Metering Commercial Prescriptive Small Business Direct Install Custom Commercial

Orlando Utilities Commission	
http://www.ouc.com/residential/save-energy-water-money http://www.ouc.com/business/business-rebates-programs	
Residential Programs	Residential Home Energy Survey Residential Duct Repair/Replacement Rebate Residential Ceiling Insulation Upgrade Rebate Residential Window Film/Solar Screen Rebate Residential High Performance Windows Rebate Residential Efficient Electric Heat Pump Rebate Residential New Home Rebate Residential Efficiency Delivered (Low-Income)
Commercial/Industrial Programs	Commercial Energy Survey Commercial Efficient Electric Heat Pump Rebate Commercial Duct Repair Rebate Commercial Window Film/Solar Screen Rebate Commercial High Performance Windows Rebate Commercial Ceiling Insulation Rebate Commercial Cool/Reflective Roof Rebate

Natural Gas LDC

Peoples Gas System https://www.peoplesgas.com/residential/saveenergy/rebates/ https://www.peoplesgas.com/business/saveenergy/rebates/	
Residential Programs	Residential Customer Assisted Energy Audit Residential New Construction Residential Appliance Retention Residential Appliance Replacement Oil Heat Replacement
Commercial/Industrial Programs	Commercial Walk-Through Energy Audit Commercial Electric Replacement Gas Space Conditioning Small Package Cogeneration Commercial New Construction Commercial Retention Commercial Replacement
Other	Monitoring and Research Conservation Demonstration and Development

Appendix B. FEECA Utilities' Conservation Program Descriptions

Electric FEECA IOUs

A. Florida Power & Light Company

Residential Programs

Residential Home Energy Survey

The Residential Home Energy Survey Program encourages implementation of recommended energy efficiency measures, even if they are not included in FPL's DSM programs. The Residential Home Energy Survey Program also identifies FPL DSM programs that could be appropriate considering the residential customers' home layouts and electricity usage patterns. FPL offers in-home, phone-assisted, and online audits for its residential customers.

Residential Ceiling Insulation

The Residential Ceiling Insulation Program encourages customers to improve their homes' thermal efficiency.

Residential Air Conditioning

The Residential Air Conditioning Program encourages customers to install high-efficiency central air conditioning systems.

Residential New Construction (BuildSmart)

The Residential New Construction Program encourages builders and developers to design and construct new homes that achieve BuildSmart certification and move towards ENERGY STAR qualifications.

Residential Low-Income

The Residential Low-Income Program assists low-income customers through state Weatherization Assistance Provider ("WAP") agencies and FPL conducted energy retrofits.

Residential Load Management (On Call)

The Residential Load Management Program allows FPL to turn off certain customer-selected appliances using FPL-installed equipment during periods of extreme demand, capacity shortages, or system emergencies.

Commercial/Industrial Programs

Business Energy Evaluation

The Business Energy Evaluation Program educates customers on energy efficiency and encourages implementation of recommended practices and measures, even if these are not included in FPL's DSM programs. The Business Energy Evaluation is also used to identify potential opportunities to implement for other FPL DSM programs. FPL offers the Business Energy Evaluation in on-site or online formats.

Business Lighting

The Business Lighting Program encourages customers to install high-efficiency lighting systems.

Business Heating, Ventilating, and Air Conditioning (HVAC)

The Business HVAC program encourages customers to install high-efficiency HVAC systems.

Business Custom Incentive

The Business Custom Incentive Program encourages customers to install unique high-efficiency technologies not covered by other FPL DSM programs.

Business On Call

The Business On Call Program allows FPL to turn off customers' direct expansion central air conditioning units using FPL-installed equipment during periods of extreme demand, capacity shortages, or system emergencies.

Commercial/Industrial Load Control (CILC)

The Commercial/Industrial Load Control Program allows FPL to control customer loads of 200 kW or greater during periods of extreme demand, capacity shortages, or system emergencies. The CILC Program was closed to new participants as of 2000.

Commercial/Industrial Demand Reduction (CDR)

The Commercial/Industrial Demand Reduction Program allows FPL to control customer loads of 200 kW or greater during periods of extreme demand, capacity shortages, or system emergencies. FPL installs a load management device at the customer's facility and provides monthly credits to customers. Unlike the CILC program, the CDR program is still open to new customers.

Cogeneration & Small Power Production

The Cogeneration and Small Power Production Program facilitates the interconnection and administration of contracts for cogenerators and small power producers.

Research and Development Programs

Conservation Research and Development (CRD)

Under Conservation Research and Development, FPL conducts research projects to identify, evaluate, and quantify the impact of new energy efficient technologies. FPL uses the findings to potentially add new energy efficient technologies to DSM programs.

B. Duke Energy Florida, LLC

Residential Programs

Home Energy Check

The Home Energy Check is a residential energy audit program that provides residential customers with an analysis of their energy consumption and educational information on how to reduce energy usage and save money. DEF offers walkthrough, online, and phone-assisted audits for its residential customers.

Residential Incentive

The Residential Incentive Program provides incentives to residential customers for energy efficiency improvements in both existing and new homes.

Low-Income Weatherization Assistance Program

The Low-Income Weatherization Assistance Program works with the Florida Department of Economic Opportunity and local weatherization providers to deliver energy education, efficiency measures, and incentives to weatherize the homes of low-income families.

Neighborhood Energy Saver

The Neighborhood Energy Saver Program installs energy conservation measures, identified through an energy assessment, in the homes of customers in selected neighborhoods where at least 50 percent of households have incomes equal to or less than 200 percent of the poverty level established by the U.S. government.

Residential Energy Management

The Residential Energy Management Program uses direct control of customer equipment to reduce system demand during winter and summer peak capacity periods by temporarily interrupting select customer appliances.

Commercial/Industrial Programs

Business Energy Check

The Business Energy Check Program provides no-cost energy audits at non-residential facilities either over the phone or at the customer's facility.

Commercial Energy Management

The Commercial Energy Management Program uses direct control of customer equipment to reduce system demand during winter and summer peak capacity periods.

The Commercial Energy Management Program was closed to new participants in 2000, but is still open for existing participants.

Better Business

Better Business is an umbrella efficiency program that provides incentives to existing C/I and government customers for HVAC, roof insulation, duct leakage and repair, demand-control ventilation, and cool roof coating.

Florida Custom Incentive

The Florida Custom Incentive Program provides incentives for individual custom projects, such as new construction measures or thermal energy storage systems, that are cost effective but not addressed by DEF's other programs.

Standby Generation

The Standby Generation Program is a demand control program that reduces DEF's system demand based on control of customer equipment. This program is available to C/I customers who have on-site generation capability and are willing to reduce demand on DEF's system when requested for system reliability purposes.

Interruptible Service

Interruptible Service is a direct load control DSM program in which customers allow DEF to interrupt their electrical service during times of capacity shortages based on peak or emergency conditions. In return, customers receive a monthly bill credit.

Curtable Service

Curtable Service is an indirect load control DSM program in which customers contract to curtail all or a portion of their electricity demand during times of capacity shortages. In contrast to the Interruptible Service Program, the customer, instead of DEF, controls whether or not the customer's appliances are turned off during times of stress on the grid. In return, customers receive a monthly bill credit.

Qualifying Facility

The Qualifying Facility Program supports the interconnection and purchase of as-available energy as well as firm energy and capacity from qualifying facilities including those that use renewable energy and distributed energy resources.

Research and Development Programs

Technology Development

The Technology Development Program allows DEF to investigate technologies that hold promise for cost-effective demand reduction and energy efficiency. DEF will investigate variable capacity heat pump air conditioners, building automated energy efficiency and demand response, energy management circuit breakers, and more.

C. Florida Public Utilities Company

Residential Programs

Residential Energy Survey

In the Residential Energy Survey Program, FPUC provides the customer with specific whole-house energy efficiency recommendations. FPUC also provides customers with lists of blower-door test contractors who can check for duct leakage. Finally, FPUC provides the customer with a conservation kit. FPUC offers in-home and online audits to its residential customers.

Residential Heating and Cooling Efficiency Upgrade

The Residential Heating and Cooling Upgrade Program incentivizes customers operating inefficient heat pumps and air conditioners to replace them with more efficient units. The program also provides incentives for customers to install a new heat pump.

Low-Income Energy Outreach

The Low-Income Energy Outreach Program partners with Department of Economic Opportunity approved Low-Income Weatherization Program operators to offer Residential Energy Surveys, distribute energy conservation materials, and more.

Commercial Programs

Commercial Energy Consultation

In the Commercial Energy Consultation Program, FPUC energy conservation representatives conduct commercial site visits to assess the potential for applicable DSM programs, educate customers about FPUC's commercial DSM programs, and more.

Commercial Heating and Cooling Efficiency Upgrade

The Commercial Heating and Cooling Upgrade Program provides rebates to small commercial customers (customers with a maximum of 5 ton units) if the customers install a high-efficiency central air conditioner or heat pump with a minimum 15 SEER.

Commercial Reflective Roof

The Commercial Reflective Roof Program provides rebates to non-residential customers who convert or install a new cool roof on an existing or new building. The rebates cover up to 25 percent of the added upfront cost of installing a cool roof compared to an alternative roof.

Commercial Chiller Upgrade

The Commercial Chiller Upgrade Program offers customers an incentive of up to \$175/kW of savings above minimum efficiency levels.

Research and Development Programs

Conservation Demonstration and Development

The Conservation Demonstration and Development Program researches energy efficiency and conservation projects to identify, develop, demonstrate, and evaluate promising end-use energy efficient technologies across a wide variety of applications.

D. Gulf Power Company

Residential Programs

Residential Energy Audit and Education

The Residential Energy Audit and Education Program is the primary educational program to help customers improve the energy efficiency of their new or existing home. The program provides energy conservation advice and information that encourages the implementation of efficiency measures and behaviors that result in electricity bill savings. Gulf offers its residential customers in-home and online audits.

Community Energy Saver (Low-Income)

The Community Energy Saver Program installs energy conservation measures in the homes of low-income families at no cost to the customers. The program also educates families on behavioral changes designed to save money by decreasing energy use.

Residential Custom Incentive

The Residential Custom Incentive Program aims to increase energy efficiency in the residential rental property sector. The program promotes the installation of efficiency measures available through other programs, such as HVAC maintenance and quality installation, high performance windows, and reflective roofing. As suitable, the program has other incentives to surmount the split-incentive barrier in a landlord/renter situation.

HVAC Efficiency Improvement

The HVAC Efficiency Improvement Program aims to increase energy efficiency and improve HVAC cooling system performance for new and existing homes. Gulf increases efficiency through HVAC maintenance, duct repair, and HVAC quality installation.

Residential Building Efficiency

The Residential Building Efficiency Program is an umbrella efficiency program for existing and new residential customers to install eligible equipment such as high performance windows, reflective roofs, and ENERGY STAR window air conditioners. The goals are to increase customer demand for energy efficient technologies and to create long-term energy savings and peak demand reduction.

Energy Select

The *Energy Select* Program gives customers a way to manage their energy consumption by programming their heating and cooling systems and major appliances, such as electric

water heaters and pool pumps, to respond automatically to prices that vary during the day and by season in relation to Gulf's cost of producing or purchasing energy.

Residential Service Time of Use Pilot

The Residential Service Time of Use Pilot Program provides residential customers the opportunity to use customer-owned equipment to respond automatically and take advantage of a variable pricing structure with a critical peak component. The pilot will be offered to 400 residential customers. The goal is to measure customers' response, with customer owned equipment, to a variable electricity price.

Commercial Programs

Commercial/Industrial Audit

The Commercial/Industrial Audit Program provides advice to Gulf's existing C/I customers on how to reduce energy consumption. The program ranges from an Energy Analysis Audit and walk-through surveys to a Technical Assistance Audit and computer programs that simulate options for very large, energy-intensive customers. Gulf offers this audit in the form of an on-site walkthrough.

Commercial HVAC Retrocommissioning

The Commercial HVAC Retrocommissioning program offers retrocommissioning at a reduced cost for qualifying installations by C/I customers. Retrocommissioning is a process of identifying suboptimal performance in a facility's systems and replacing the outdated equipment.

Commercial Building Efficiency

The Commercial Building Efficiency Program is an umbrella efficiency program for C/I customers to encourage the installation of high-efficiency equipment in order to reduce energy and demand. The high-efficiency equipment is focused on commercial geothermal heat pumps, ceiling/roof insulation, and reflective roofs.

Commercial/Industrial Custom Incentive

The Commercial/Industrial Custom Incentive Program offers energy efficient end-user equipment to C/I customers. The C/I Custom Incentive Program also offers energy services such as comprehensive audits, design, and construction of energy conservation projects. Covered projects include demand reduction or energy improvement retrofits that are beyond the scope of other DSM programs.

Critical Peak Option

This program allows customers on Gulf's Large Power Time-of-Use rate schedule an option to receive credits for capacity that can be reduced during peak load conditions. The program provides a fixed, per-kW credit for measured on-peak demand and a charge for any measured demand recorded during a called critical peak event.

Research and Development Programs

Conservation Demonstration and Development

The Conservation Demonstration and Development Program is an umbrella program for the identification, development, and evaluation of end-use energy efficient technologies.

E. Tampa Electric Company

Residential Programs

Residential Energy Audits

The Residential Energy Audits Program includes a walk-through free energy check, a customer-assisted energy audit, a computer-assisted paid energy audit, and a building energy ratings system (BERS) audit.

Residential Ceiling Insulation

The Residential Ceiling Insulation Program offers rebates to existing residential customers to install additional ceiling insulation in existing homes.

Residential Duct Repair

The Residential Duct Repair Program encourages residential customers to repair leaky duct work of central air conditioning systems in existing homes.

Residential Electronically Commutated Motors (ECM)

The Residential Electronically Commutated Motors Program encourages residential customers to replace their existing HVAC air handler motors with more efficient ECMs.

Energy Education, Awareness, and Agency Outreach

The Energy Education, Awareness, and Agency Outreach Program engages and educates groups of customers and students on energy efficiency in an organized setting. Also, participants receive an energy savings kit with energy saving devices and information.

ENERGY STAR for New Multi-Family Residences

The ENERGY STAR for Multi-Family Residences Program utilizes a rebate to encourage construction of new multi-family residences that meet the requirements to achieve the ENERGY STAR certified apartments and condominiums label.

ENERGY STAR for New Homes

The ENERGY STAR for New Homes Program incentivizes residential home builders to build homes that qualify for the ENERGY STAR award by achieving energy efficiency levels greater than current Florida building code baseline practices.

Residential Heating and Cooling

The Residential Heating and Cooling Program offers rebates to residential customers for installing high-efficiency heating and cooling equipment in existing homes.

Neighborhood Weatherization (Low-Income)

The Neighborhood Weatherization Program provides for the installation of energy efficient measures for qualified low-income customers.

Renewable Energy

The Renewable Energy Program delivers renewable energy options to TECO's customers through program administration, renewable electricity generation, evaluation of potential new renewable sources, and market research.

Residential Price Responsive Load Management (Energy Planner)

The Residential Price Responsive Load Management (Energy Planner) Program reduces weather-sensitive loads through an innovative price responsive rate. The price responsive rate encourages residential customers to make behavioral or equipment usage changes by pre-programming HVAC, water heating, and pool pumps.

Residential Wall Insulation

The Residential Wall Insulation Program offers rebates to existing residential customers to install additional wall insulation in existing homes.

Residential Window Replacement

The Residential Window Replacement Program offers rebates to existing residential customers to install window upgrades in existing homes.

Commercial Programs**Commercial/Industrial Energy Audits**

In the C/I Energy Audits Program, C/I customers can receive more limited free energy audits or comprehensive paid energy audits.

Commercial Ceiling Insulation

The Commercial Ceiling Insulation Program incentivizes C/I customers to install additional ceiling insulation in existing commercial buildings.

Commercial Chiller

The Commercial Chiller Program offers rebates to C/I customers for installing high efficiency chiller equipment.

Cogeneration

The Cogeneration Program incentivizes large industrial customers with waste heat or fuel resources to use their onsite energy to avoid fuel waste and install electric generating equipment. The large industrial customers may sell their surplus electric generation to TECO.

Conservation Value

The Conservation Value Program offers rebates to C/I customers to invest in energy conservation measures that are not in other C/I programs.

Commercial Cool Roof

The Commercial Cool Roof Program encourages C/I customers to install a cool roof system above conditioned spaces.

Commercial Cooling

The Commercial Cooling Program encourages C/I customers to install high efficiency direct expansion commercial air conditioning cooling equipment.

Demand Response

The Demand Response Program incentivizes C/I customers to reduce electricity demand at certain peak times.

Commercial Duct Repair

The Commercial Duct Repair Program encourages C/I customers to repair leaky ductwork of central air conditioning systems in existing C/I facilities.

Commercial Electronically Commutated Motors (ECM)

The Commercial Electronically Commutated Motors Program encourages C/I customers to replace air handler motors or refrigeration fan motors with ECMs.

Industrial Load Management (GSLM 2&3)

The Industrial Load Management Program incentivizes large industrial customers to allow TECO to interrupt part of or their entire electrical service during periods of peak stress on the grid.

Lighting Conditioned Space

The Lighting Conditioned Space Program encourages C/I customers to invest in more efficient lighting technologies in existing conditioned areas of C/I facilities.

Lighting Non-Conditioned Space

The Lighting Non-Conditioned Space Program encourages C/I customers to invest in more efficient lighting technologies in existing non-conditioned areas of C/I facilities.

Lighting Occupancy Sensors

The Lighting Occupancy Sensors Program encourages C/I customers to install occupancy sensors to control C/I lighting systems.

Commercial Load Management

The Commercial Load Management Program incentivizes C/I customers to allow TECO to control weather-sensitive heating, cooling, and water heating systems to reduce the associated weather-sensitive peak demand.

Refrigeration Anti-Condensate Control

The Refrigeration Anti-Condensate Control Program encourages C/I customers to install anti-condensate equipment sensors within refrigerated door systems.

Standby Generator

The Standby Generator Program incentivizes C/I customers to use available emergency electrical generation capacity in order to reduce weather-sensitive peak demand on the grid.

Thermal Energy Storage

The Thermal Energy Storage Program encourages C/I customers to install an off-peak air conditioning system.

Commercial Wall Insulation

The Commercial Wall Insulation Program encourages C/I customers to install wall insulation in existing C/I structures.

Commercial Water Heating

The Commercial Water Heating Program encourages C/I customers to install high efficiency water heating systems.

Research and Development

Conservation Research and Development (R&D)

The Conservation Research and Development Program allows TECO to explore DSM measures that have insufficient data on cost-effectiveness and the impact on TECO's ratepayers.

Electric FEECA Municipal Utilities

A. JEA

Residential Programs

Residential Energy Audit

In the Residential Energy Audit Program, JEA examines homes, educates customers, and makes recommendations on low-cost or no-cost energy-saving practices and measures.

Residential Solar Water Heating

The Residential Solar Water Heating Program pays a financial incentive to customers to encourage the use of solar water heating technology.

Residential Solar Net Metering

The Residential Solar Net Metering Program promotes the use of PV by purchasing excess electricity from residential customers who have PV.

Neighborhood Efficiency (Low-Income)

The Neighborhood Efficiency Program offers education concerning the efficient use of energy and water as well as the direct installation of an array of energy and water efficiency measures at no cost to income qualified customers.

Residential Efficiency Upgrade

The Residential Efficiency Upgrade Program provides incentives to encourage the use of high efficiency HVAC and water heating. This is one of the DSM programs that JEA offers which has not been approved by the Commission and is not part of the FEECA goalsetting process. Nevertheless, this program creates demand and energy savings.

Energy Efficient Products

The Energy Efficient Products Program provides incentives to encourage the use of high efficiency lighting and efficient appliances. This is one of the DSM programs that JEA offers which has not been approved by the Commission and is not part of the FEECA goalsetting process.

Residential New Build

The Residential New Build Program promotes the use of high efficiency HVAC, water heating, lighting, and appliances in the new construction market. This is one of the DSM programs that JEA offers which has not been approved by the Commission and is not part of the FEECA goalsetting process. Nevertheless, this program creates demand and energy savings.

Commercial Programs

Commercial Energy Audit

In the Commercial Energy Audit Program, JEA examines businesses, educates customers, and makes recommendations on low-cost or no-cost energy-saving practices.

Commercial Solar Net Metering

The Commercial Solar Net Metering Program promotes the use of PV by purchasing excess electricity from commercial customers who have PV.

Commercial Prescriptive

The Commercial Prescriptive Program provides incentives to encourage the use of high efficiency HVAC, lighting, cooking, and water heating products. This is one of the DSM programs that JEA offers which has not been approved by the Commission and is not part of the FEECA goalsetting process. Nevertheless, this program creates demand and energy savings.

Small Business Direct Install

The Small Business Direct Install Program promotes the use of high efficiency HVAC, lighting, water heating, and appliances in the small business sector. This is one of the DSM programs that JEA offers which has not been approved by the Commission and is not part of the FEECA goalsetting process. Nevertheless, this program creates demand and energy savings.

Custom Commercial

The Custom Commercial Program promotes the use of custom efficiency measures based on specific applications for each customer. This is one of the DSM programs that JEA

offers which has not been approved by the Commission and is not part of the FEECA goalsetting process. Nevertheless, this program creates demand and energy savings.

B. Orlando Utilities Commission

Residential Programs

Residential Home Energy Survey

The Residential Home Energy Survey Program consists of three measures: a Residential Energy Walk-Through Survey, a Residential Energy Survey DVD, and an interactive Online Energy Survey.

Residential Duct Repair/Replacement Rebate

The Residential Duct Repair/Replacement Rebate Program provides up to a \$160 rebate to encourage customers to repair leaking ducts on existing systems.

Residential Ceiling Insulation Upgrade Rebate

The Residential Ceiling Insulation Upgrade Rebate Program is offered to residential customers to encourage the upgrade of attic insulation.

Residential Window Film/Solar Screen Rebate

The Residential Window Film/Solar Screen Rebate Program encourages solar shading on windows.

Residential High Performance Windows Rebate

The Residential High Performance Windows Rebate Program encourages customers to install windows that minimize heating, cooling, and lighting costs.

Residential Efficient Electric Heat Pump Rebate

The Residential Efficient Electric Heat Pump Rebate Program provides rebates to customers in existing homes who install heat pumps having a seasonal energy efficiency ratio (SEER) of 15.0 or higher.

Residential New Home Rebate

The Residential New Home Rebate Program offers rebates for cool/reflective roofs, block wall insulation, ceiling insulation upgrades to R-38, heat pumps, ENERGY STAR washing machines, ENERGY STAR heat pump water heaters, and solar water heaters.

Residential Efficiency Delivered (Low-Income)

The Residential Efficiency Delivered Program is income based and provides up to \$2,000 of energy and water efficiency upgrades based on the needs of the residential customer's home. An OUC Conservation Specialist visits the home, performs a home survey, and recommends which home improvements have the most potential of lowering utility bills.

Commercial Programs

Commercial Energy Survey

The Commercial Energy Audit Program includes a free survey consisting of a physical walk-through inspection of the commercial facility performed by experienced energy experts. Following the inspection, the customer receives a written report.

Commercial Efficient Electric Heat Pump Rebate

The Commercial Efficient Electric Heat Pump Rebate Program provides rebates to qualifying customers in existing buildings who install heat pumps having a seasonal energy efficiency ratio (SEER) of 15.0 or higher.

Commercial Duct Repair Rebate

The Commercial Duct Repair Rebate Program provides rebates of 100 percent of the cost, up to \$160, when qualifying customers have an existing central air conditioning system of 5.5 tons or less. Then, customers must seal ducts with mastic and fabric tape or Underwriters Laboratory approved duct tape.

Commercial Window Film/Solar Screen Rebate

The Commercial Window Film/Solar Screen Rebate Program aims to reflect heat during hot summer days and retain heat on cool winter days. The program provides rebates of \$1 per square foot for window tinting and solar screening with a solar heat gain coefficient (SHGC) of 0.44 or shading coefficient of 0.5 or less.

Commercial High Performance Windows Rebate

The Commercial High Performance Windows Rebate Program encourages customers to install windows that minimize heating, cooling, and lighting costs.

Commercial Ceiling Insulation Rebate

The Commercial Ceiling Insulation Rebate Program aims to increase a building's resistance to heat loss and gain. Participating customers receive a rebate per square foot for upgrading their attic insulation up to R-30.

Commercial Cool/Reflective Roof Rebate

The Commercial Cool/Reflective Roof Rebate Program aims to reflect the sun's rays and lower roof surface temperature while increasing the lifespan of the roof. OUC provides rebates per square foot of ENERGY STAR cool/reflective roofing that has an initial solar reflectance greater than or equal to 0.70.

Natural Gas FEECA Utility

A. Peoples Gas System

Residential Programs

Residential Customer Assisted Energy Audit

The Residential Customer Assisted Audit is designed to save energy by increasing residential customer awareness of natural gas use in personal residences. Recommendations provided to the customer include an estimated range of energy savings including insightful advice on how to manage their overall energy usage. This audit is only available in an online format.

Residential New Construction

The Residential New Construction Program is designed to save energy for new home owners by offering incentives to builders for the installation of natural gas appliances.

Residential Appliance Retention

The Residential Appliance Retention Program is designed to encourage current natural gas customers to make cost-effective improvements in existing residences by replacing existing natural gas appliances with energy efficient natural gas appliances.

Residential Appliance Replacement

The Residential Appliance Replacement Program is designed to encourage customers to make cost-effective improvements in existing residences by replacing existing electric appliances with energy efficient natural gas appliances.

Oil Heat Replacement

The Oil Heat Replacement Program is designed to encourage customers to make cost-effective improvements in existing residences by converting/replacing their existing oil heating system to more energy efficient natural gas heating.

Commercial/Industrial Programs

Commercial Walk-Through Energy Audit

This program is designed to reduce demand and energy consumption of C/I facilities by increasing customer awareness of the energy use in their facilities.

Commercial Electric Replacement

The Commercial Electric Replacement Program is designed to encourage commercial customers to make cost-effective improvements in existing facilities by replacing electric resistance appliances with energy efficient natural gas appliances.

Gas Space Conditioning

The Gas Space Conditioning Program is designed to encourage commercial customers to make cost-effective improvements in existing facilities by converting/replacing their electric space conditioning equipment to energy efficient natural gas space conditioning equipment.

Small Package Cogeneration

The Small Package Cogeneration Program is designed to encourage commercial customers to make cost-effective improvements in existing facilities by the installation of

an energy efficient on-site natural gas-fired combined heat and power system for the simultaneous production of mechanical and thermal energy.

Commercial New Construction

The Commercial New Construction Program is designed to save energy for new commercial facility owners by offering incentives to commercial customers for the installation of natural gas appliances.

Commercial Retention

The Commercial Retention Program is designed to encourage current natural gas commercial customers to make cost-effective improvements in existing residences by replacing existing natural gas appliances with energy efficient natural gas appliances.

Commercial Replacement

The Commercial Replacement Program is designed to encourage commercial customers to make cost-effective improvements in existing facilities by replacing electric appliances with energy efficient natural gas appliances.

Research and Development

Monitoring and Research

The Monitoring and Research Program is designed to pursue research, development, and demonstration projects designed to promote energy efficiency and conservation.

Conservation Demonstration and Development

The Conservation Demonstration and Development Program is designed to encourage Peoples Gas System and other natural gas LDCs to pursue opportunities for individual and joint research, including testing of technologies to develop new energy conservation programs.

Appendix C. FEECA Utilities' Energy Audits

Residential energy audits are required by Section 366.82(11), F.S. Energy audits serve as an avenue for utilities to identify and evaluate conservation opportunities for customers. FEECA utilities use energy audits as a gateway to their other DSM programs. For example, some rebate programs require customers to have an energy audit so that the utility can identify existing equipment before the customer is eligible to participate. Utilities also use energy audits to educate customers on behavioral changes and energy efficiency investments they can make outside of utility-sponsored DSM programs.

Rule 25-17.0021, F.A.C., requires that all FEECA utilities offer a Walk-Through Audit, a Building Energy-Efficiency Rating System (BERS) Audit, and a Computer-Assisted Audit to their residential customers. All FEECA electric utilities also offer Walk-Through audits for their commercial customers. In addition to the required audits, FEECA utilities are now offering online audits and some are offering phone audits, and residential customers have been increasingly requesting these types of audits. While online and phone audits are not as thorough as Walk-Through audits, they give customers access to much of the same information on their own time, without needing to schedule appointments with their utility. These audits also typically have lower administrative costs than Walk-Through audits.

Tables 13 and 14 below reflect data for the FEECA utilities that conducted residential and commercial audits in 2019. As previously noted, PGS was granted a waiver, as a part of its goalsetting process, exempting it from the requirement to offer Walk-Through audits. The Commission allowed PGS to offer an electronic, online-only audit in lieu of on-site audits for residential customers. PGS launched its online audits in 2020. Therefore, the information shown in Table 13 and 14 does not include PGS audit details.

During 2019, the FEECA electric utilities performed 241,025 residential audits, as shown in Table 13.²³ Residential online audits attracted nearly three and a half times as many participants as did the residential walk-through audits.

²³Walk-Through, BERS, and Computer-Assisted audits all require a utility auditor to physically inspect the customer's premises, and therefore are consolidated for the purposes of Tables 13 and 14.

Table 13
Residential Audits by Type in 2019

Utility	Audit Type			
	Walk-Through, BERS, and Computer Assisted	Online	Phone	Total
FPL	16,955	80,695	19,711	117,361
DEF	13,754	5,596	9,783	29,133
TECO	6,787	57,370	0	64,157
Gulf	2,575	10,006	0	12,581
FPUC	123	0	0	123
JEA	5,947	10,265	0	16,212
OUC	1,278	180	0	1,458
Total	47,419	164,112	29,494	241,025

Source: FEECA utilities' demand-side management annual reports.

These FEECA utilities also performed 8,506 commercial energy audits in 2019. A breakdown of these audits performed in 2019 can be found in Table 14. In-person commercial audits continue to attract more participants than online audits by a wide margin.

Table 14
Commercial Audits by Type in 2019

Utility	Audit Type		
	Walk-Through, BERS, and Computer Assisted	Online	Total
FPL	5,099	1,556	6,655
DEF	565	0	565
TECO	867	0	867
Gulf	109	60	169
FPUC	19	0	19
JEA	157	0	157
OUC	74	0	74
Total	6,890	1,616	8,506

Source: FEECA utilities' demand-side management annual reports.

Impact of COVID-19 on Audit Programs

Although this report reviews the 2019 annual goal results for the FEECA utilities and fulfills the statutory obligations of Section 366.82(10), F.S., a significant global health pandemic event

began early in 2020, which impacted how the seven electric FEECA utilities can offer their audit programs. On March 1, 2020, Governor Ron DeSantis declared a public health emergency²⁴ related to the outbreak of COVID-19. On March 9, 2020, a state of emergency was declared,²⁵ leading to the implementation of the State's Comprehensive Emergency Management Plan.²⁶

Below is a condensed summary describing how the seven electric FEECA utilities modified their practices for offering audit programs in response to the COVID-19 pandemic from roughly March through October 2020.²⁷

FPL

FPL suspended employee visits to customers' homes and businesses in March 2020. FPL does not have a date for when visits will resume, but states that it has successfully shifted all participation to its online and phone channels to offset the suspension of on-site surveys.

DEF

DEF suspended on-site appointments in March 2020. Messages were posted on social media notifying customers of the suspension and encouraged phone-assisted and online audits as an alternative. DEF resumed residential on-site visits in June 2020, and commercial on-site visits in early May on a case-by-case basis. Beginning June 15, 2020, DEF began routinely performing commercial on-site visits when requested by the customer. DEF is performing commercial on-site audits after hours to limit COVID-19 exposure. Safety precautions, such as wearing protective equipment, have been implemented to ensure safety and protection.

TECO

TECO suspended on-site appointments in March 2020. Emphasis was placed on the phone and online offerings in an effort to provide assistance for customers. TECO implemented a commercial phone-audit in place of the field audit, which involves an energy analyst reviewing the customer's billing information and discussing several steps the customer can take to lower their energy usage.

Gulf

Gulf suspended on-site visits in March 2020. Gulf continues to promote phone and online audits through social media, the Company's website, and advertisements. There is no timetable for when Gulf will resume on-site visits.

FPUC

FPUC suspended in home audits mid-March 2020. FPUC has encouraged customers to participate in the phone and online audits provided on the Company's website. There is no timetable for when FPUC will be returning to performing in home audits.

JEA

JEA suspended on-site visits in March 2020, beginning virtual/remote Efficiency Assessments starting in late April. There is no official projected start date to resume on-site visits, but

²⁴[Executive Order No. 20-51](#)

²⁵[Executive Order No. 20-52](#)

²⁶<https://www.floridadisaster.org/globalassets/cemp/2020-cemp/2020-state-cemp.pdf>

²⁷Utilities' Responses to Staff's First Set of Interrogatories, Docket No. 20200002-EG.

virtual/remote audits continue to assist customers with their conservation and utility consumption needs.

OUC

OUC energy auditors are not currently entering the customer's home. However, energy auditors visit the property and remain outside, where they can verify the meter and other information, and speak to the customer at a safe distance while wearing a mask. OUC will re-evaluate entering customer homes and businesses on a monthly basis.



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: November 2, 2020

TO: Braulio L. Baez, Executive Director

FROM: Gregory D. Fogleman, Public Utilities Supervisor, Office of Industry Development & Market Analysis CH
Brandon Wendel, Public Utility Analyst II, Office of Industry Development and Market Analysis
Sakina Deas, Public Utility Analyst II, Office of Industry Development & Market Analysis
Margarita Yglesias de Ayala, Public Utility Analyst I, Office of Industry Development & Market Analysis
Cynthia L. Muir, Director, Office of Consumer Assistance & Outreach CM

RE: 2020 Annual Lifeline Report Regarding the Number of Customers Subscribing to Lifeline Service and the Effectiveness of any Procedures to Promote Participation.

Critical Information: ACTION IS NEEDED – Please place on the November 17, 2020 Internal Affairs agenda. **Commission approval of the draft Lifeline Report is sought.** The 2020 Lifeline Report is due to the Governor, President of the Senate, and Speaker of the House by December 31, 2020

Staff is seeking Commission approval of the draft 2020 Annual Lifeline Report regarding the number of customers subscribing to Lifeline Service and the effectiveness of any procedures to promote participation. The report details state and federal regulatory action impacting the Lifeline program and Lifeline Awareness promotions in Florida. As of June 30, 2020, there were 371,180 households that participated in the Lifeline program in Florida.

Section 364.10(2)(h), Florida Statutes, requires the FPSC to provide this report to the Governor, President of the Senate, and Speaker of the House of Representatives by December 31 of each year. The attached draft report has been prepared to fulfill the Florida legislative requirement.

Attachment

cc: Mark Futrell, Deputy Executive Director, Technical
Apryl Lynn, Deputy Executive Director, Administrative
Keith Hetrick, General Counsel

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A report to the
Governor
President of the Senate
Speaker of the House of Representatives



December 2020

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List of Acronyms

CAF-II	Connect America Fund Phase-II
CFR	Code of Federal Regulations
DCF	Department of Children and Families
ETC	Eligible Telecommunications Carrier
FCC	Federal Communications Commission
FPHA	Federal Public Housing Assistance
FPSC	Florida Public Service Commission
F.S.	Florida Statutes
OPC	Office of Public Counsel
SNAP	Supplemental Nutrition Assistance Program (formerly Food Stamps)
SSI	Supplemental Security Income
USAC	Universal Service Administrative Company

I. Executive Summary

The Florida Lifeline Assistance report is prepared pursuant to the requirements found in Section 364.10, Florida Statutes (F.S.). The Florida Public Service Commission (FPSC or Commission) is required to report to the Governor, the President of the Senate, and the Speaker of the House of Representatives each year on the number of customers subscribing to Lifeline service and the effectiveness of procedures to promote participation in the program.

The Lifeline program is designed to enable low-income households to obtain and maintain basic telephone and broadband services. It offers qualifying households a discount on their monthly bills. Alternatively, consumers can choose to receive monthly wireless minutes and/or measured data service from certain wireless providers.¹ This report presents Lifeline participation data from July 2019 through June 2020, and evaluates procedures put in place to strengthen and streamline the Lifeline program.

On April 21, 2016, The Federal Communications Commission (FCC) released a Lifeline Modernization Order, which established a singular Lifeline eligibility determination system conducted by the Universal Service Administrative Company (USAC), known as the National Verifier. The key objectives of the National Verifier are to reduce waste, fraud, and abuse; to lower costs through administrative efficiencies; and to better serve eligible beneficiaries by facilitating choice and improving the enrollment experience. As of March 24, 2020, Florida Lifeline customer eligibility verification is conducted solely through the National Verifier.

As of June 30, 2020, there were 371,180 Florida households participating in the Lifeline program. This equates to approximately one of every 23 Florida households.² The Supplemental Nutrition Assistance Program (SNAP) continues to be the largest qualifying program for Lifeline assistance in Florida. However, only 20 percent of SNAP participants subscribe to Lifeline. Using SNAP participation as a proxy for the number of Lifeline eligible households results in an estimate of only 20 percent of eligible Florida households are receiving Lifeline assistance as of April 2020.³ Most of the reduction in this year's participation rate is attributed to the decline in subscribership from one company.

“*Stay Connected Florida*” was the slogan for Florida's 2020 Lifeline Awareness Week, held on September 14-18. This year's Lifeline Awareness Week continued efforts to increase awareness and enrollment in the Lifeline program.

¹ Such wireless Lifeline services generally include a free cellphone, but the distribution of wireless equipment is not part of the program.

² Florida Legislature Office of Economic and Demographic Research, Demographic Estimating Conference, Florida Households July 2020: 8,580,271, <http://edr.state.fl.us/Content/conferences/population/ConferenceResults.pdf>, accessed September 16, 2020, p. T-2.

³ United States Department of Agriculture, Supplemental Nutrition Assistance Program: Number of Households Participating, Florida SNAP households for April 2020: 1,748,329, https://fns-prod.azureedge.net/sites/default/files/resource-files/30SNAP_currHH-9.pdf, accessed October 6, 2020.

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II. Lifeline Program

The Lifeline program has provided phone service discounts for qualifying low-income consumers since 1985. Initially the goal of the program was to ensure that all Americans had the opportunities and security that phone service brings. Over time, that goal has evolved to include broadband service. Qualifying households are eligible to receive up to a \$9.25 discount on their monthly phone or broadband bills from certain wireline service providers. Alternatively, customers may choose measured voice or broadband service from certain wireless carriers. Such wireless services generally include a free cell phone, but the distribution of wireless equipment is not part of the program. As discussed further in Section IV, in order to provide Lifeline services to consumers, a company must be designated as an eligible telecommunications carrier (ETC) by the FPSC or the FCC.

The FPSC has oversight over the Florida Lifeline program pursuant to Section 364.10, F.S. However, the Lifeline program is one of the federal Universal Service Fund (USF) programs, which also includes the high-cost, rural healthcare, and schools and libraries programs. Lifeline is available to eligible low-income households in every state and territory, as well as federally recognized Tribal lands.

The federal USF provides funding for the Lifeline program. The rules affecting the Lifeline program are established by the FCC; however, the FCC has designated USAC, an independent not-for-profit corporation, as the program's administrator. USAC is responsible for data collection and maintenance, support calculation, and disbursement for the Lifeline program along with other federal USF programs. Additionally, in 2016, the FCC directed USAC to develop and administer a National Verifier that would determine customer eligibility. This was to be implemented in all states and territories by December 2019.⁴ In Florida, the soft launch of the National Verifier began in December 2019, and was fully launched in March 2020. The National Verifier is discussed in more detail in Section V.

Eligibility

Consumers can qualify to participate in the Lifeline program either through program-based or income-based eligibility standards. Program-based eligibility is determined by a customer's enrollment in specific qualifying programs. Customers can qualify for the Lifeline program in Florida by enrollment in any one of the following programs:

- SNAP
- Medicaid
- Federal Public Housing Assistance (FPHA)
- Supplemental Security Income (SSI)
- Veterans or Survivors Pension Program

⁴ FCC 16-38, WC Docket No. 11-42, Lifeline and Link Up Reform and Modernization, Third Report and Order, released April 27, 2016, https://apps.fcc.gov/edocs_public/attachmatch/FCC-16-38A1.pdf, accessed on September 14, 2020.

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- Bureau of Indian Affairs Programs: Tribal Temporary Assistance to Needy Families, Head Start Subsidy, and National School Lunch Program

Consumers whose total household income is less than 135 percent of the Federal Poverty Guidelines are eligible to participate in the Lifeline program under the income-base standard. The Federal Poverty Guidelines are updated annually by the U.S. Department of Health and Human Services.⁵ Consumers can enroll in the Lifeline program through the income-based eligibility by providing qualifying documentation. Prior to Florida's transition to the National Verifier this documentation was provided to the customer's provider of choice or in some cases through the Office of Public Counsel (OPC). Now customers must provide this documentation by uploading it to the National Verifier portal or mailing it to the Lifeline Support Center. OPC ceased verifying consumer income eligibility in April 2020; however, it still processed 2,286 applications between July 2019 and April 2020.

Application Process

The National Verifier was created in part to streamline the eligibility verification process. Prior to the National Verifier, Florida consumers could apply for Lifeline directly with an ETC, through a coordinated enrollment process when applying for SNAP or Medicaid with the Florida Department of Children and Families (DCF), or through OPC when applying based upon income. Since its implementation, however, all applications are now processed through the National Verifier. There are several methods for applying through the National Verifier:

- Through USAC's website using the National Verifier consumer portal
- In person with certain ETCs using the National Verifier service provider portal
- By mailing their application to USAC's Lifeline Support Center
- Through ETC websites that have access to the National Verifier

Once applications are received they are validated through available automated eligibility data sources. Applications are checked to confirm identity, verify that the consumer is not already a Lifeline participant, and to ensure compliance with all program rules. If a customer's eligibility cannot be validated through these checks, they can upload supporting documentation to the National Verifier portal or mail it to the Lifeline Support Center. Upon completion of the application process, the individual is either determined qualified for the Lifeline benefit or is required to submit more information. Those that qualify must then contact an ETC in their area to enroll in the Lifeline program.

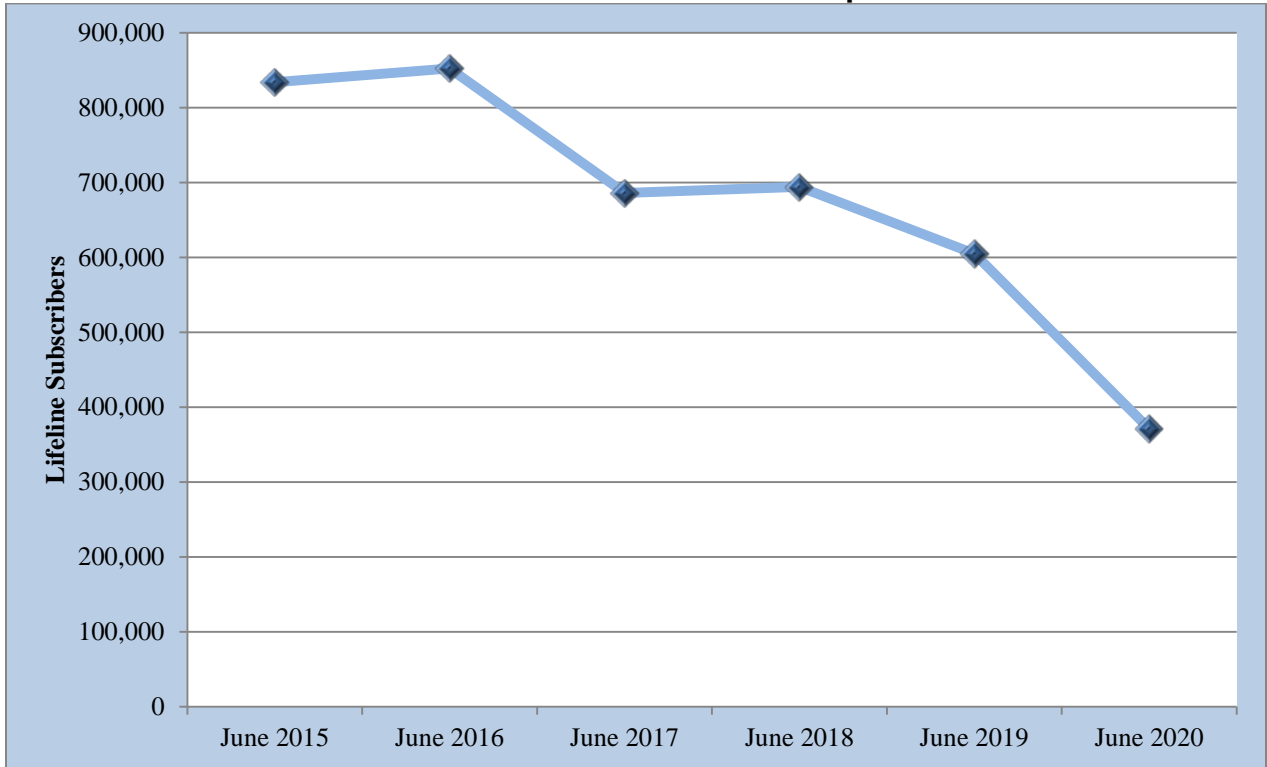
⁵ The 2020 Federal Poverty Guidelines are shown in Appendix A.

III. Lifeline Participation

Participation

There were 371,180 subscribers enrolled in Lifeline as of June 30, 2020, which is a 38.62% percent decrease from the number of subscribers last year. Figure 1 shows the number of Lifeline subscribers from June 2015 through June 2020. Eighty-one percent of the decline was attributed to a significant drop in subscribership by Assurance Wireless.

**Figure 1
Florida Lifeline Subscribership**



Source: Industry Responses to FPSC Data Requests (2015-2020)

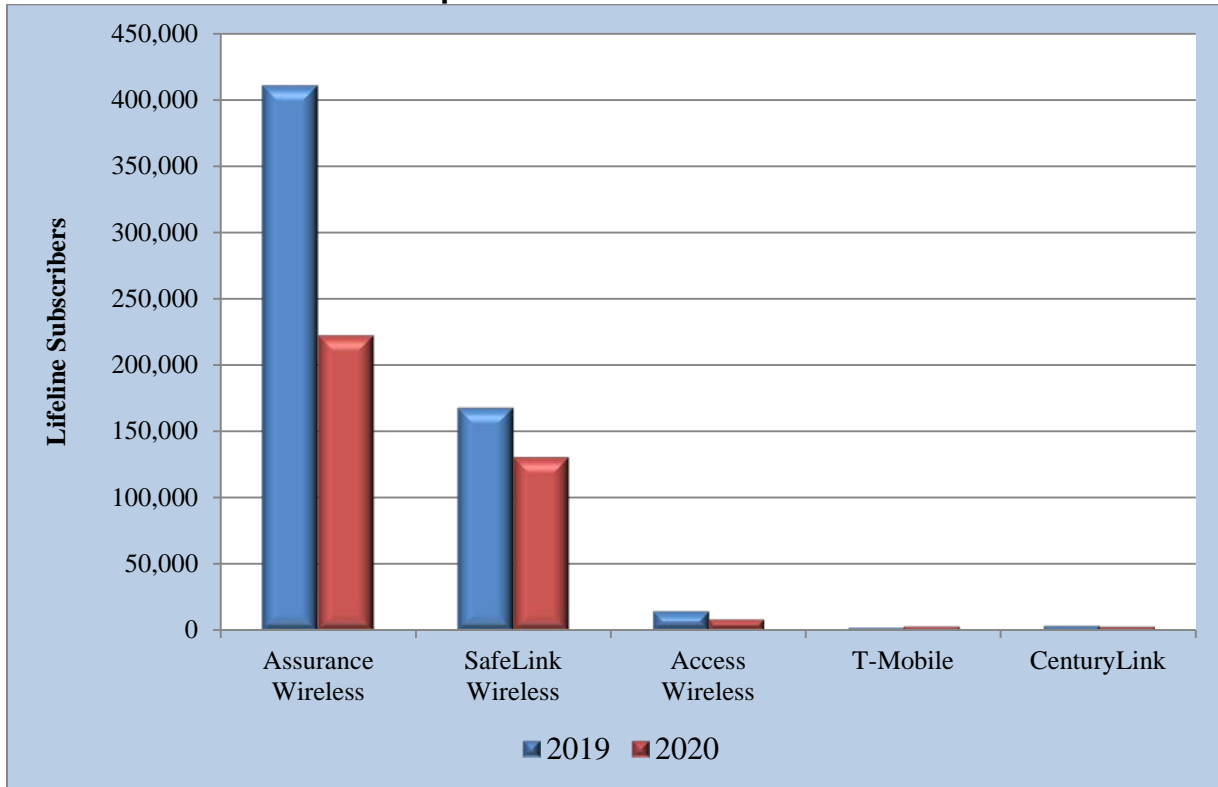
Assurance Wireless noted that in order to comply with the FCC non-usage rules, a significant number of customers were de-enrolled in September 2019. This rule requires ETCs that provide free service to de-enroll customers that don't use their service within a 30-day period. While such ETCs provide Lifeline service for free to eligible customers, the ETC receives funding from USAC.

This year there was an overall decline in Lifeline subscribership. However, five ETCs (T-Mobile, Phone Club, ITS, Smart City and Frontier of the South) experienced an increase in the number of Lifeline customers.

Since the implementation of the National Verifier in Florida, subscribership has remained consistent for the most part. However, with only three months of analyzed data and several Lifeline program waivers in place due to the COVID-19 pandemic, it's uncertain what impact the National Verifier will have on Florida's subscribership.

Figure 2 shows the five Florida ETCs with the most Lifeline subscribers for June 2019 and 2020. These ETCs represent 99 percent of Lifeline subscriber participation in Florida. For 2020, Assurance Wireless remains the ETC with the highest number of Lifeline subscribers, even after its record reduction of 189 thousand Lifeline subscribers in Florida. Such dramatic shifts in subscribership are uncommon. SafeLink Wireless experienced a similar reduction of 114 thousand Lifeline subscribers between 2017 and 2018.

Figure 2
Top Five Florida Lifeline ETCs



Source: Industry Responses to 2020 FPSC Data Requests

Figure 3 compares how many households were enrolled in Lifeline with the estimated number of eligible households, using SNAP participation as a proxy for eligibility. Lifeline subscribership decreased by 233,513 between June 2019 and June 2020. At the same time, the number of Lifeline eligible households increased by 610,821.⁶

As a result, the participation rate as of June 2020 was 17.25 percent. This represents a drop of 22 percentage points compared to 2019. Most of the reduction in this year’s participation rate is attributed to the decline in subscribership discussed above.

Historically, this report has cited SNAP eligible household data as reported by the U.S. Department of Agriculture. At the time of this report, June 2020 SNAP participation data is unavailable from the U.S. Department of Agriculture. Furthermore, the data that is available for

⁶ Florida DCF, Access Florida: Standard Data Reports, <https://www.myflfamilies.com/service-programs/access/StandardDataReports.asp>, accessed October 20, 2020.

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2020 may include participation in other food assistance programs not related to the SNAP program.⁷ The Florida DCF also collects this information and reports more current data that only includes SNAP eligible households. Figure 3 has been updated to include historical SNAP participation data for years reported prior to June 2020 using this new source.⁸

Figure 3
Lifeline Participation Rate in Eligible Florida Households

Year	Lifeline Enrollment	Eligible Households	Percent Participation Rate
Jun-15	833,426	2,040,236	40.85%
Jun-16	852,255	1,747,684	48.76%
Jun-17	685,864	1,690,899	40.56%
Jun-18	694,647	1,655,134	41.97%
Jun-19	604,693	1,540,682	39.25%
Jun-20	371,180	2,151,503	17.25%

Source: Florida DCF, Access Florida: Standard Data Tables

The continued need for Lifeline outreach is demonstrated by the number of households that are eligible to participate in the Lifeline program in Florida and the current participation rate. However, the need for greater outreach may be at odds with the changing costs associated with offering expanded Lifeline services. Some carriers have noted that with the implementation of the FCC’s 2016 Lifeline Modernization Order, it has become increasingly difficult to profitably acquire Lifeline subscribers at the current monthly support amount.

Transitional Lifeline

Transitioning from the Lifeline program usually occurs when a customer’s socio-economic status has improved, thus advancing them beyond the qualifying eligibility criteria. As required by Section 364.105, F.S., customers who no longer qualify for Lifeline are eligible to receive a 30 percent discount on the residential basic local service rate for a period of one year. For example, a former Lifeline customer with a \$25 phone bill would receive a \$7.50 monthly discount for one year. Figure 4 presents the number of Transitional Lifeline customers of Florida ETCs from June 2015 through June 2020. Transitional Lifeline participation decreased by 457 subscribers from 2019 to 2020.

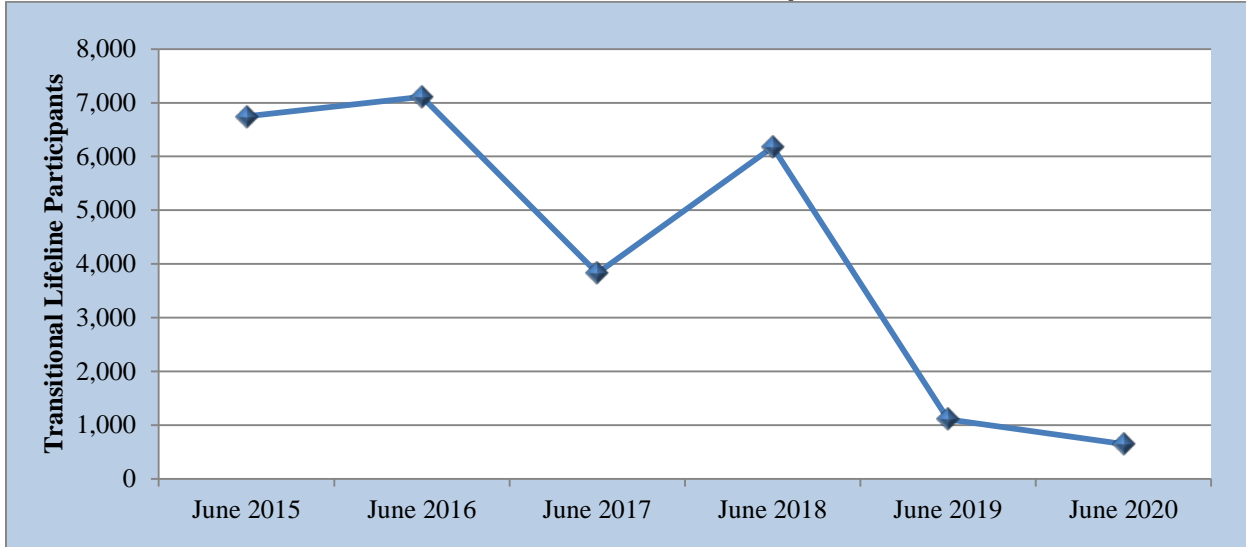
⁷ The U.S. Department of Agriculture reported that its data shows that some states incorrectly combined Pandemic Electronic Benefits Transfer (P-EBT) and SNAP participation in their monthly reports. P-EBT is a supplemental benefit for households with children who have temporarily lost access to free or reduced-price school meals due to pandemic-related school closures.

⁸ Florida DCF, Access Florida: Standard Data Reports, <https://www.myflfamilies.com/service-programs/access/StandardDataReports.asp>, accessed October 20, 2020.

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It should be noted, to comply with Section 364.105, F.S., instead of providing a 30 percent discount, TracFone offers its former Lifeline customers at least a 30 percent increase on the customer’s chosen prepaid service card. Transitional Lifeline customers participating in this manner are not tracked by TracFone and, therefore, not included in Figure 4.

**Figure 4
Transitional Lifeline Participation**



Source: Industry Responses to FPSC Data Requests (2015-2020)

IV. Lifeline Providers

State commissions have been granted the authority to designate carriers as ETCs by Congress if they meet certain requirements.⁹ Conversely, ETC designation may be rescinded by a state commission should a company fail to follow the requirements of the Lifeline Program.

To qualify as an ETC, a telecommunications carrier must offer services that are supported by federal universal service support mechanisms.¹⁰ The carrier must advertise the availability of such services and charges, and must provide the services either using its own facilities or a combination of its own facilities and another carrier’s resold service. A company applying for designation as an ETC must demonstrate good management and legitimate business practices to successfully provide Lifeline service.¹¹

Currently, the FPSC only evaluates wireline ETC applications, while wireless ETC applications are evaluated by the FCC.¹² Figure 5 shows the 16 companies that were ETCs and participated in the Lifeline program in Florida as of June 30, 2020. On December 17, 2019, the FPSC revoked Tele Circuit Network Corporation’s ETC status and CLEC certificate, due to the use of wireless technology for its Lifeline customers, in violation of its wireline ETC designation.¹³ Appendix B provides Lifeline enrollment figures for each ETC between 2017 and 2020.

**Figure 5
ETCs Participating in Florida**

Access Wireless (i-wireless)	NEFCOM
Assurance Wireless (T-Mobile)	Phone Club Corporation
AT&T Florida	SafeLink Wireless (TracFone)
CenturyLink	Smart City Telecom
Consolidated Communications	TDS (Quincy Telephone Company)
Frontier Communications of the South	T-Mobile
Frontier Florida, LLC	Windstream Florida, LLC
ITS Fiber	WOW! (Knology of Florida, Inc.)

Source: Industry Responses to 2020 FPSC Data Requests

⁹ Section 214(e)(2) of the Telecommunications Act of 1996.

¹⁰ 47 Code of Federal Regulations (CFR) §54.101(a).

¹¹ 47 CFR §54.201(h).

¹² The Florida Legislature in 2011 (HB 1231), removed the FPSC authority to designate wireless ETC providers. Effective July 1, 2012, wireless providers must directly apply for Florida ETC designation with the FCC.

¹³ FPSC, Docket No. 20190193-TX, Order No. PSC-2019-0526-FOF-TX, Initiation of show cause proceeding against Tele Circuit Network Corporation for apparent violation of Order Nos. PSC-05-0361-PAA-TX and PSC-11-0419-PAA-TX, issued December 17, 2019.

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During this past year, a major merger and a proposed acquisition have taken place. Both transactions could have a potential impact on the Lifeline program. First, in April 2020, T-Mobile and Sprint completed their merger. As part of the approval of the merger, Sprint was required to sell off most of its subsidiaries that offer prepaid services. Assurance wireless, which was the subsidiary that Sprint provided Lifeline service through, was not required to be sold, and remains in operation as a subsidiary of T-Mobile. Second, on September 14, 2020, Verizon announced its intention to acquire TracFone Wireless and become the prepaid leader in the U.S. The transaction must first receive approval from the FCC, with an expected close date to occur in the second half of 2021. Because the purchase does not affect TracFone's operations and Verizon states that it will be keeping TracFone's employees, it appears that the impact on Florida Lifeline customers may be minimal.

Also during this reporting year, Viasat Carrier Services, Inc. (Viasat) was announced as one of the winners of the FCC's Connect America Fund Phase-II auction (CAF-II). The CAF-II auction awards High-Cost funding for deployment of voice and broadband service in select census blocks throughout the nation. The FCC designated Viasat as an ETC in selected areas in Florida, Alabama, California, and West Virginia on September 18, 2019.¹⁴ The FPSC had previously denied Viasat's petition for ETC designation in 2018, citing a lack of jurisdiction and directed it to the FCC.¹⁵ Viasat's service is provisioned through Voice over Internet Protocol and broadband services using geostationary-satellite orbit technologies.

As a condition of Viasat's ETC designation, it must offer service in at least 40 percent of its designation ETC service territory by December 2022, with 20 percent increases in each subsequent year.¹⁶ This includes offering Lifeline service. For this reporting year, Viasat did not provide Lifeline services due to needed upgrades of its internal systems. Viasat has indicated that the upgrades are currently being conducted and it anticipates meeting the first service deployment obligation by the December 2022 deadline.¹⁷

ETCs can meet their Lifeline service obligations either through offering voice, broadband, or a combination of both services. Figure 6 shows the percent of Lifeline subscription by service type. Currently, incumbent and competitive wireline carriers meet their Lifeline obligation predominantly through the provision of voice service, but they experienced an increase in bundled service from 7.0% to 16.6% and from 0.3% to 10.8%, respectively. By comparison, wireless ETCs meet their Lifeline obligation predominantly through the provision of broadband connections. Wireless ETCs experienced an increase in bundled service from 0.9% to 32.2%. Appendix C provides greater detail of Lifeline subscriptions by service type for each carrier.

¹⁴ FCC Order, DA 19-925, WC Docket No.'s 09-197, Telecommunications Carriers Eligible for Universal Service Support Connect America Fund, released September 18, 2019, <https://docs.fcc.gov/public/attachments/DA-19-925A1.pdf>, accessed September 16, 2020.

¹⁵ FPSC, Order No. PSC-2018-0531-PAA-TX, Docket No. 20180180-TX, Application for limited designation as an eligible telecommunications carrier (ETC) with request for expedited consideration by Viasat Carrier Services, Inc., issued November 13, 2019.

¹⁶ FCC, Connect America Fund Phase II Auction (Auction 903), <https://www.fcc.gov/auction/903>, accessed September 16, 2020.

¹⁷ FPSC Staff Email Correspondence with Viasat on September 15, 2020, with Eric Baulesh.

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**Figure 6
Lifeline Subscription by Service Type
(As of June 2020)**

Carrier Type	Voice	Broadband	Bundled
Wireless	8.0%	59.9%	32.1%
Incumbent Wireline	79.2%	4.2%	16.6%
Competitive Wireline	84.8%	4.4%	10.8%

Source: USAC Disbursements Florida

All the wireless ETCs in Florida are meeting the minimum FCC standards by offering at least 1,000 minutes or 3 GB of data to Lifeline subscribers. It should be noted that wireless carriers frequently offer some voice or data along with the service that meets the FCC’s standard. Figure 7 outlines different basic Lifeline services offered by Wireless ETCs in Florida and how they qualify with the federal standards.

Apart from T-Mobile’s plan, each wireless ETC offers a Lifeline plan paid by the Lifeline subsidy. Customers only have to pay for additional voice minutes or data beyond those of their plan as needed. By comparison, T-Mobile’s Lifeline customers can apply their discount towards any plan that T-Mobile offers. T-Mobile’s least expensive plan would cost Lifeline consumers \$12.75, after the Lifeline discount, and provide unlimited voice minutes, but does not include a data component.

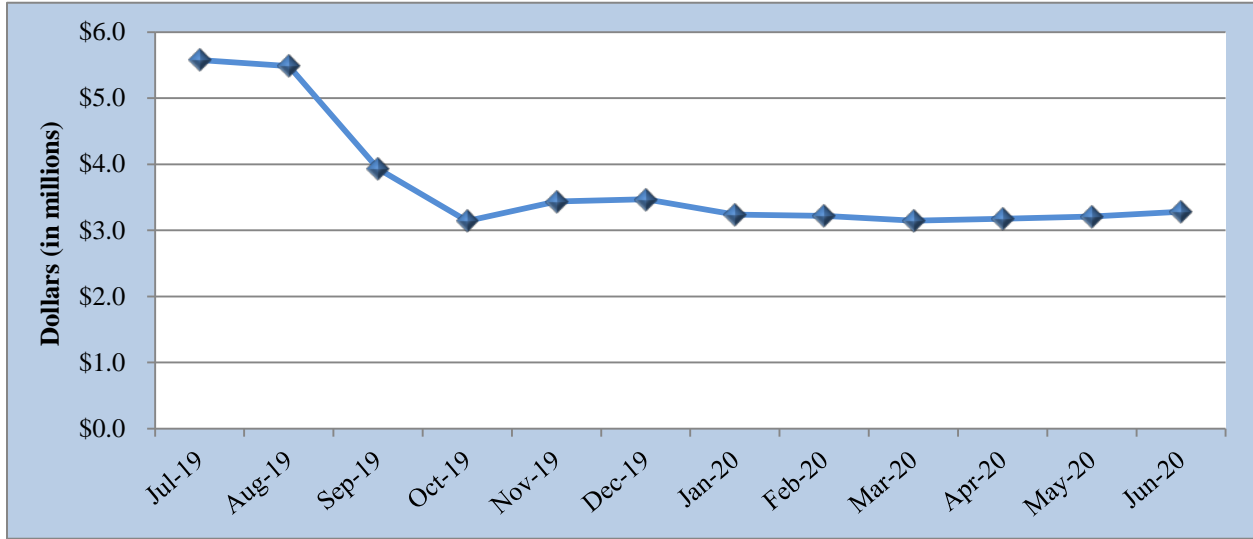
**Figure 7
Wireless Service Standard Met by Service Type
(As of September 2020)**

Wireless ETC	Minimum Standards Met	Voice	Data
Access Wireless	Voice	1,000 Minutes	50 MB
Access Wireless	Data	250 Minutes	3 GB
Assurance	Data	350 Minutes	3 GB
SafeLink	Voice	1,000 Minutes	1 GB
SafeLink	Data	350 Minutes	3 GB
T-Mobile	Voice	Unlimited	No Data

Source: Wireless ETC’s websites

Figure 8 reflects USAC Lifeline disbursements to Florida ETCs between July 2019 and June 2020. The total amount disbursed during this 12-month period was \$44,309,196, with an average of \$3.7 million per month. These amounts also include prior period support corrections when errors are made.

Figure 8
Low-Income Disbursements to Florida ETCs



Source: USAC Disbursements Florida July 2019-June 2020

Prior to August 15, 2016, competitive carriers could offer Lifeline discounted service through a resale agreement with an ETC. The ETC would receive the support from USAC, and reduce the price of service to the reseller by the corresponding amount. As part of the FCC’s reforms to the Lifeline program, rules were established that eliminate Lifeline reimbursement for these resale arrangements out of concern of possible waste and abuse of program funds. As a result, some affected carriers have left the Florida market. The FCC established a process for affected carriers to become an ETC and provide Lifeline service by filing a compliance plan addressing the FCC’s concerns regarding potential waste and abuse of the program. Specifically, such non-facilities based carriers must file a plan that demonstrates:

- Commitment and ability to provide the supported services throughout the designated area
- Ability to remain functional in emergency situations
- Ability to satisfy consumer protection and service quality standards
- Provision of local usage comparable to that offered by the incumbent local exchange companies

As previously mentioned, the FPSC no longer has authority to designate wireless ETCs. Petitions for wireless ETC designation in Florida are now filed directly with the FCC. Figure 9 shows the 35 Florida wireless ETC petitions pending at the FCC. Some of these companies applied with the FCC as early as June 2011. The date of each company’s respective initial wireless ETC petition is included.

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**Figure 9
Pending Florida Wireless ETC Designations at FCC
(As of August 2020)**

Airvoice Wireless (2/13)	NewPhone Wireless (9/12)
American Broadband (6/13)	Pinnacle Telecommunications (2/13)
Amerimex (2/13)	Q Link Wireless (8/15)
AmTel (1/13)	Sage Telecom Communications, LLC (8/13)
Assist Wireless (1/13)	SelecTel Wireless (8/15)
Blue Jay Wireless (5/12)	TAG Mobile (6/11)
Boomerang Wireless (8/15)	TNT Wireless (1/13)
Budget PrePay, Inc. (8/11)	Tele Circuit Network (7/12)
Cintex Wireless (5/12)	Telrite (4/12)
Consumer Cellular (4/12)	Tempo Telecom (1/14)
EZ Reach Mobile (5/12)	TerraCom (4/12)
Free Mobile, Inc. (9/12)	Total Call Mobile (4/13)
Global Connection (4/12)	True Wireless (5/12)
IM Telecom, LLC (1/16)	TX Mobile (11/12)
Kajeet (3/12)	Vast Communications (4/13)
LTS of Rocky Mount (10/12)	You Talk Mobile (2/13)
Millennium 2000 (4/13)	ZING PCS (12/12)
Mobile Net POSA (5/14)	

Source: FCC Lifeline Compliance Plans & ETC Petitions

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V. Regulatory Activities and Updates

A. Federal Communications Commission Activities

2016 Lifeline Modernization Reform Order

On April 27, 2016, the FCC released its Lifeline Modernization Order. This Order was primarily established to modernize the Lifeline program by including broadband as a supported service, designating minimum service standards for Lifeline services, and establishing the National Verifier. Implementation of this Order continues to have an impact on the federal Lifeline program.

State Defined Eligibility Criteria

Prior to the implementation of the FCC’s 2016 Lifeline Modernization Order, states that mandated Lifeline support, such as Florida, could establish its own qualification criteria. Thus, a state could have different state income eligibility standards from the FCC or include additional state qualifying programs. However, in 2016, the FCC amended its rules resulting in the elimination of that provision.¹⁸ The FCC stated that it made this change to simplify the administration of the Lifeline program and establish eligibility criteria that do not vary from state to state.¹⁹

Section 364.10(2), Florida Statutes, currently contains a conditional poverty qualifier that exceeds the FCC’s threshold of 135 percent of the Federal Poverty Guidelines. Specifically, wireline ETCs with more than a million access lines are required to provide Lifeline service to customers whose income is 150 percent or less of the Federal Poverty Guidelines. No wireline carriers have had more than a million access lines since 2016.²⁰ Wireless ETCs were given more flexibility in that they “may” provide Lifeline services at the 150 percent threshold. It is unlikely that any wireless ETC is currently qualifying customers using this expanded criterion because those customers would not qualify for reimbursement from USAC.

Minimum Service Standards

In the 2016 Lifeline Modernization Order, the FCC required all ETC’s to provide a discount for broadband access that meets the FCC’s minimum service standards, unless they were granted forbearance from this obligation. These standards were established to determine an appropriate level of service ETCs must provide in order to receive USF support. These standards are reviewed annually through an FCC update mechanism to ensure that Lifeline customers continue to receive viable service options as technology improves.²¹ Below are the current minimum service standards that became effective December 1, 2019:

- Mobile voice remains unchanged at 1,000 minutes per month.

¹⁸ FCC, Third Report and Order, FCC 16-38, WC Docket No. 11-42, released April 27, 2016, <https://docs.fcc.gov/public/attachments/FCC-16-38A1.pdf>, accessed September 23, 2020, par. 212.

¹⁹ Ibid, par. 215.

²⁰ FPSC, Report on the Status of Competition in the Telecommunications Industry as of December 31, 2019, <http://www.floridapsc.com/Files/PDF/Publications/Reports/Telecommunication/TelecommunicationIndustry/2020.pdf>, accessed on September 25, 2020, Figures 2-5 and 2-6.

²¹ FCC, Public Notice, DA 19-704, WC Docket No. 11-42, released July 25, 2019, <https://docs.fcc.gov/public/attachments/DA-19-704A1.pdf>, accessed September 4, 2020.

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- Mobile broadband usage increased to 8.75 GB per month, while speed remains at 3G.
- Fixed broadband speed increased to 20 Mbps downstream and 3 Mbps upstream while data usage remains at 1 TB per month.

Lifeline Program Voice-Only Support Phase Out

The 2016 Lifeline Modernization Order gradually phases out support for voice-only services to further the FCC’s goal of transitioning to a broadband-focused Lifeline program. On December 1, 2019, the support provided for voice-only services was reduced to \$7.25 per Lifeline customer. Support for fixed and mobile voice Lifeline service will continue to be phased out throughout 2021, and will be completely phased out by December 1, 2021. The FCC included an exception to this phase out for those census blocks with only one Lifeline provider. The Lifeline program will continue to support voice services when bundled with a broadband service. Figure 10 outlines the FCC’s phase down schedule.

**Figure 10
Lifeline Support Phase Down Schedule**

Effective Dates	Fixed Voice	Mobile Voice	Fixed Broadband	Mobile Broadband
From 12/1/19 to 11/30/20	\$7.25	\$7.25	\$9.25	\$9.25
From 12/1/20 to 11/30/21	\$5.25	\$5.25	\$9.25	\$9.25
After 11/30/21	\$0	\$0	\$9.25	\$9.25

Source: FCC 2016 Lifeline Modernization Order (FCC 16-38)

The FPSC filed comments regarding this matter in the FCC’s 2017 Fourth Report and Order and Notice of Proposed Rulemaking.²² The FPSC commented that customers should have the option to continue to receive Lifeline support for voice-only service and that the FCC should eliminate its planned phase down of support. The FPSC noted its concern that if the only option for customers to obtain Lifeline voice service is by combining the service with broadband, the cost of the combined services may become cost prohibitive for some consumers, without increasing financial support from the Lifeline program.

The impact of the voice-only support phase out appears to have affected the service offerings of wireless Florida ETCs, causing those ETCs to shift away from voice-only service offerings.²³ In order to receive the full reimbursement of \$9.25, ETCs are required to invest in infrastructure that satisfies evolving service standards and supports broadband or bundled voice and broadband service offerings. A barrier to entry may exist for smaller companies wishing to become ETCs, while the declining support offered to already established ETCs may result in them exiting the market once voice-only support is fully phased out.

²² FPSC Comments, WC Docket No. 17-287, Bridging the Digital Divide for Low-Income Consumers, filed, February 21, 2018, <https://ecfsapi.fcc.gov/file/1022171092868/FPSC%20Comments%20to%20the%20FCC.pdf>, accessed, September 4, 2020.

²³ Appendix C.

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National Lifeline Eligibility Verifier

As a part of the FCC's 2016 Lifeline Modernization Order, in an effort to fight waste, fraud and abuse in the Lifeline program the FCC directed USAC to develop a national Lifeline eligibility verifier. The purpose of the National Verifier is to determine initial subscriber eligibility, conduct annual recertification, populate a national database consisting of Lifeline customers, and provide support payments to providers serving these customers. Throughout 2019, USAC conducted quarterly launches that transitioned states and U.S. territories into the National Verifier.

On December 31, 2019, USAC completed their final launch, encompassing all 50 states, as well as all U.S. territories into the National Verifier. Upon inception into the National Verifier, states entered a soft launch period in which usage of the National Verifier was encouraged, but was not mandatory, to determine customer eligibility for the Lifeline program. During the soft launch period, carriers were still able to determine customer eligibility using previously acceptable processes. Upon entering hard launch status, use of the National Verifier to determine eligibility becomes mandatory. On March 24, 2020, Florida entered hard launch of the National Verifier.

New Lifeline customers may apply for the Lifeline program through the National Verifier online, or by mailing a physical copy of the application which can be found on the National Verifier portal website.²⁴ Disabled individuals may call the USAC Lifeline Support Center hotline to receive assistance in filling out an application by phone.²⁵ For all other questions regarding the Lifeline program, customers are encouraged to visit the Lifeline support website, or call the USAC National Verifier hotline.²⁶

While ETCs have the ability to assist customers in applying through the National Verifier, that ability is somewhat limited. ETCs have the ability to check the status of National Verifier applications for customers after they have been submitted. ETCs may also assist customers with their applications; however, this must be done in person as the National Verifier computer interface does not allow for remote assistance.

ETCs have expressed displeasure using the system, citing issues with their ability to effectively assist customers with applications, as well as National Verifier portal operational issues.²⁷ USAC has actively addressed and worked toward rectifying issues throughout 2020, and continues to keep state regulators and stakeholders informed on improvements through monthly conference calls and webinars.

USAC Interface With Florida DCF Database

The FPSC facilitated an informal meeting between DCF and USAC to begin discussion regarding the implementation of the National Verifier in Florida. The meeting established the groundwork for an automated computer interface system compliant with Florida Statutes that would allow USAC to interface with DCF's qualifying program database. The DCF database would provide USAC with verification that a customer is a participant in a qualifying program without actually revealing the program itself or any other customer information. Once a customer

²⁴ USAC, National Verifier, <https://nationalverifier.servicenowservices.com/lifeline>, accessed September 4, 2020.

²⁵ USAC, Lifeline Support Center Hotline, 1-800-234-9473.

²⁶ USAC, Lifeline Support Website, <https://www.lifelinesupport.org/>, accessed September 4, 2020.

²⁷ 2020 Lifeline Report Data Request Responses.

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is verified as a qualifying program participant through this process, they are enrolled in the Lifeline program with no need for any further documentation. At the time of this report, DCF and USAC are close to finalizing an agreement establishing the interface.

The National Verifier's efficiency is contingent upon the establishment of automated verification interface processes. Currently, the National Verifier is connected to the FPHA, and the federal Medicaid databases, in which all Lifeline program applicants are initially checked for eligibility. As of July 30, 2020, USAC has been able to establish eligibility verification interfaces for state qualifying programs in 19 states, and is working with the remaining states to establish interfaces, with an ultimate goal of being connected to all states by 2021.

Lifeline Electronic Coordinated Enrollment Process

In 2007, Florida implemented the Lifeline Electronic Coordinated Enrollment Process. This process involves a computer interface between the FPSC and DCF for Lifeline applications for people who currently participate in the Medicaid and SNAP programs. The coordinated enrollment process requires a DCF client to indicate an interest in receiving Lifeline assistance. The applicant then identifies a telephone service provider from a drop-down box on the application and answers applicable questions. Once a client is determined to be eligible for Medicaid and/or SNAP, DCF will forward the customer information to the FPSC. The FPSC places this information on a secure website for retrieval by the appropriate ETC.

Prior to the National Verifier, customers identified through this process would be automatically considered eligible and enrolled in Lifeline service by the ETC. However, now that eligibility is determined only by the National Verifier, ETC's must now contact the customer to determine if they have already been enrolled in the Lifeline Program through the National Verifier.

For those customers who have not yet applied for the program, ETCs will either instruct customers on where they can apply, or assist these customers with their applications in person. If a customer mistakenly identifies an ETC that does not serve the area in which they live, the FPSC sends instructions on how to apply through the National Verifier, along with a list of each ETC's contact information.

Duplicate Lifeline Support

Eligible consumers can only receive one Lifeline-supported service per household.²⁸ If there are two households residing at one address and each desires to participate in Lifeline, each applicant must complete a household worksheet to demonstrate that each applicant is living in a separate economic unit and not sharing living expenses (bills, food, etc.) or income with another resident.²⁹

To prevent waste in the USF, the FCC created a National Lifeline Accountability Database and mandated its use to ensure that multiple ETCs do not seek and receive reimbursement for the same Lifeline subscriber.³⁰ The National Lifeline Accountability Database conducts a nationwide real-time check to determine if the consumer or another person at the address of the

²⁸ 47 CFR § 54.409(c).

²⁹ A household Lifeline eligibility pre-screening tool is available at www.lifelinesupport.org.

³⁰ FCC, Report and Order, WC Docket No. 11-42, released February 6, 2012, <https://docs.fcc.gov/public/attachments/FCC-12-11A1.pdf>, accessed September 25, 2020.

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consumer is already receiving Lifeline service. States have read-only access to this database to help prevent waste, fraud, and abuse of the Lifeline program.

Sprint's Lifeline Usage Rule Violation

On September 24, 2019, the FCC issued a News Release regarding an investigation conducted by the Oregon Public Utility Commission into whether Sprint Corporation (Sprint) has been claiming reimbursement for customers in violation of the usage requirement of the Lifeline rules.³¹ The rule is applicable to customers who receive free Lifeline service. It requires Lifeline customers to use their Lifeline service at least once in a 30-day period. ETCs are required to de-enroll customers from the program after a 15-day notification period if the usage requirement is not met.

Sprint had received Lifeline support for approximately 855,000 customers nationwide, in violation of the usage requirement. This represented nearly 30 percent of Sprint's Lifeline subscribers, and roughly 10 percent of the entire Lifeline program. Sprint accepted responsibility for the violation, stating the issue was a result of a 2017 coding error following the updated Lifeline program requirements put forth in the 2016 Lifeline Modernization Order. The FCC's investigation into the issue is still pending and no penalties have been assessed against Sprint.

Sprint provided Lifeline service through its subsidiary Assurance Wireless. As Florida's largest wireless ETC, Assurance Wireless' de-enrollment of the corresponding Florida Lifeline customers resulted in a significant drop in Lifeline customers from September 2019 to December 2019. While the drop seemed drastic, it should be noted that these customers should not have been enrolled because of the usage requirements.

Sprint and T-Mobile Merger

On April 1, 2020, Sprint and T-Mobile completed a corporate merger that was approved by the FCC on November 5, 2019.³² The \$26 billion transaction involved the sale of all of Sprint's prepaid wireless services to Dish Network for \$5 billion, thus creating a fourth major mobile carrier.

Assurance Wireless, a subsidiary of Sprint, is Florida's largest wireless Lifeline service provider, accounting for approximately 60 percent of all Florida Lifeline customers. Commission staff has been informed that Assurance Wireless will continue to provide Lifeline service as a separate subsidiary of T-Mobile for the foreseeable future.³³

Verizon's Purchase of TracFone

On September 14, 2020, Verizon announced plans to purchase TracFone, Florida's second largest Lifeline ETC and the nation's largest reseller of wireless service.³⁴ Currently, about 13 million of TracFone's 21 million customers receive resold Verizon service. Verizon intends to

³¹ FCC, News Release, released September 24, 2019, <https://docs.fcc.gov/public/attachments/DOC-359820A1.pdf>, accessed September 25, 2020.

³² FCC, Memorandum Opinion and Order, FCC 19-103, WT Docket No 18-197, released November 5, 2019, <https://docs.fcc.gov/public/attachments/FCC-19-103A1.pdf>, accessed August 29, 2020.

³³ 2020 Lifeline Report Data Request Response by Assurance Wireless.

³⁴ Verizon, Verizon to Acquire TracFone, released September 14, 2020, <https://www.verizon.com/about/news/verizon-to-acquire-tracfone>, accessed September 26, 2020.

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continue providing Lifeline service through TracFone with plans of further developing the brand, products, and distribution channels. Though the purchase has been announced, finalization is contingent upon regulatory approval and must be voted on by the FCC. Industry and state opposition could also slow the merger; however, Verizon believes the purchase should be completed by third quarter 2021.

FCC Response to COVID-19

On March 17, 2020, the FCC released an Order suspending the usage requirement rule of the Lifeline program as a result of the COVID-19 pandemic.³⁵ The Order also suspends de-enrollment due to customer reverification non-response, halts USAC from requesting new reverification eligibility information from customers, and waives the recertification rules of the Lifeline program. A follow-up Order, released on April 29, 2020, amended the income eligibility, as well as halted all involuntary de-enrollment from the Lifeline Program.³⁶

The income eligibility rule requires customers qualifying for the Lifeline program under income eligibility documentation to provide three consecutive months of documentation proving they make at or less than 135 percent of the Federal Poverty Guidelines.³⁷ The amendment however, allows customers to provide documentation proving recent unemployment due to COVID-19, such as a notice of unemployment benefits, or notice of a successful application for unemployment benefits. While this amendment expands the pool of potential Lifeline qualified customers, the majority of Florida ETCs stated they did not see an influx of new Lifeline customers outside of ordinary trends, or that they could directly attribute to COVID-19 related unemployment.³⁸ As the COVID-19 pandemic continues, extensions to the aforementioned waivers and amendments are being considered. As of August 17, 2020, the waivers and amendments have been extended through November 30, 2020.³⁹

Keep America Connected Pledge

On March 13, 2020, the FCC announced a new initiative called the Keep Americans Connected Pledge (pledge), which aimed to minimize service disruptions and disconnections during the COVID-19 pandemic.⁴⁰ Over 800 service providers signed this pledge nationwide. The pledge called for carriers to halt termination of service due to non-payment and late fees incurred by small businesses and customers, as well as open Wi-Fi hotspots for any American who needs them.

FCC Chairman Pai encouraged service providers to go beyond the pledge in hopes that carriers would expand existing, or establish new low-income broadband programs to assist the most vulnerable Americans during this time. The pledge was extended through June 30, 2020.

³⁵ FCC, Order, Lifeline and Link Up Reform Modernization, DA 20-285, released March 17, 2020, <https://docs.fcc.gov/public/attachments/DA-20-285A1.pdf>, accessed September 4, 2020.

³⁶ Lifeline and Link Up Reform and Modernization, FCC Order, DA 20-462, <https://docs.fcc.gov/public/attachments/DA-20-462A1.pdf>, accessed September 4, 2020.

³⁷ USAC, Federal Poverty Guidelines for Lifeline, https://www.usac.org/wp-content/uploads/lifeline/documents/handouts/Income_Requirements.pdf, accessed on September 1, 2020.

³⁸ 2020 FPSC Lifeline Report Data Request Responses.

³⁹ FCC, Order, Lifeline and Link Up Reform and Modernization, DA 20-891, released August 17, 2020, <https://docs.fcc.gov/public/attachments/DA-20-891A1.pdf>, accessed September 26, 2020.

⁴⁰ FCC, News Release, Chairman Pai Announces Keep America Connected Pledge, released March 13, 2020, <https://docs.fcc.gov/public/attachments/DOC-363033A1.pdf>, accessed September 8, 2020.

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Wireless ETCs

The majority of Florida's wireless ETCs accepted Chairman Pai's challenge by relaxing data-usage requirements and offering other services at no additional cost to customers.⁴¹ Such services offered in excess of the pledge requirement included:

- Increased Lifeline data-usage
- Unlimited minutes for Lifeline customers
- New low-income plans with increased data and minutes

TracFone also offered Lifeline customers three free telehealth visits as part of their expanded offerings.

Wireline ETCs

Some Florida wireline ETCs provided similar expanded services for low-income customers during the pledge period.⁴² These ETCs expanded eligibility for its low-income internet programs, as well as offered expanded or unlimited data usage for programs such as:

- Free telehealth services for 60 days
- Free Internet for new low-income customers
- Free Internet for K-12 students who did not currently have broadband access

Non-ETCs

Several non-ETC service providers that have established low-income broadband offerings in Florida also provided expanded services beyond the pledge.⁴³ These offerings included:

- Free Internet for new low-income customers
- Faster broadband speeds
- Increased or unlimited data usage limits

Additionally, Charter (Spectrum), offered new low-income customers with K-12 students and/or college students free broadband service up to 100 Mbps download speed throughout the June 30, 2020, extension date of the pledge.

B. Florida Public Service Commission Activities

Actions to Prevent Waste, Fraud, and Abuse of the Universal Service Fund

Florida continues to enforce safeguards to prevent waste, fraud, and abuse of the USF. The FPSC strives to protect the integrity of the Lifeline program in Florida and takes appropriate enforcement action when necessary. The FPSC has statutory authority to grant wireline ETC designations and can also revoke ETC status when warranted.

⁴¹ Sprint, T-Mobile, TracFone.

⁴² AT&T, Century Link, Consolidated Communications, TDS Telecom, Windstream.

⁴³ Charter (Spectrum), Comcast (Xfinity), Cox (Connect2Compete).

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Unlawful and inappropriate federal USF disbursements are inconsistent with public trust and negatively impact all contributors to the fund. This is especially true for states like Florida that contribute more into the USF than it receives. Therefore, the FPSC monitors federal USF disbursements to Florida ETCs to ensure that funds are being disbursed and expended according to state and federal regulations and guidelines.

Revocation of Tele Circuit Network Corporation's ETC Designation

Stemming from a complaint received by FPSC staff, an investigation into the service offerings of Tele Circuit Network Corporation (Tele Circuit) was launched on May 21, 2019. The complaint involved a customer that had been denied the Lifeline benefit for wireline service, but was told that the customer could receive the benefit on what was being referred to as a “wireless home-phone.” Tele Circuit’s ETC designation established Tele Circuit as a wireline ETC, capable of providing Lifeline service only using wireline technology for reimbursement from USAC.⁴⁴

Upon further investigation into Tele Circuit’s operations, staff was made aware of a pending Notice of Apparent Liability for Forfeiture from the FCC against Tele Circuit for unauthorized switching of customer’s underlying service provider and unauthorized charges being placed on customer bills, assessing a fine against the carrier of \$5.3 million dollars.

By claiming Lifeline Program reimbursement for customers receiving service through unauthorized technology, and by displaying questionable managerial capability, on November 22, 2019, Tele Circuit was ordered by the FPSC to show cause in writing as to why the company’s ETC designation and Certificate of Authority should not be revoked. Due to the company’s non-response, on December 17, 2019, Tele Circuit’s ETC designation and Certificate of Authority were revoked.⁴⁵

FPSC staff contacted former Tele Circuit Lifeline customers to ensure they did not experience any disconnections of Lifeline service. A letter was mailed that explained the outcome of the revocation Order, how that would affect their current Lifeline service, and explained the customer’s options for alternative Lifeline providers that serve the areas in which they live.

⁴⁴ FPSC, Docket No. 20080201-TX, Order No. PSC-2011-0480-CO-TX, Application for designation as an eligible telecommunications carrier by Tele Circuit Network Corporation, issued September 24, 2011.

⁴⁵ FPSC, Docket No. 20190193-TX, Order No. PSC-2019-0526-FOF-TX, Initiation of show cause proceeding against Tele Circuit Network Corporation for apparent violation of Order Nos. PSC-05-0361-PAA-TX and PSC-11-0419-PAA-TX., issued December 17, 2019.

VI. Lifeline Promotion Activities

Promotional activities in 2020 featured National Lifeline Awareness Week and National Consumer Protection Week, as well as ongoing “grassroots” efforts to increase awareness and enrollment in the Lifeline program. The FPSC works with state commissions, the National Association of Regulatory Utility Commissioners, the FCC, and the National Association of State Utility Consumer Advocates to promote Lifeline Awareness Week and educate consumers on the nationwide implementation of a consumer-friendly National Verifier by USAC.

The national effort also ensures that low-income families and individuals are aware of the Lifeline program and understand the participation requirements, including annual recertification and one discount per household. The shared goal is for all eligible households to be enrolled and receive Lifeline program benefits.

National Lifeline Awareness Week

NARUC observed Lifeline Awareness Week, again in September for those states able to participate. “*Stay Connected Florida!*” was the slogan for Florida’s 2020 Lifeline Awareness Week, September 14-18.⁴⁶ In addition to increasing awareness among eligible citizens, this year’s campaign continued educating residents about the discount on voice and broadband services.

This year, the outreach effort in Florida focused on the eight senior centers in Volusia County and the Tallahassee Senior Center. With in-person events cancelled due to the COVID-19 pandemic, FPSC representatives distributed information to seniors and answered questions with the help of the senior services coordinators. Lifeline information is also readily available on the FPSC’s website.⁴⁷

National Consumer Protection Week and Other Community Events

The FPSC seeks existing community events as well as new venues and opportunities where Lifeline educational materials can be distributed and discussed with consumers. National Consumer Protection Week, March 1-7, 2020, provided a good opportunity for Lifeline outreach activities. An annual consumer education campaign, National Consumer Protection Week encourages consumers to take advantage of their consumer rights. Chairman Gary Clark recognized the 22nd Annual National Consumer Protection Week in a video distributed on Twitter, LinkedIn, and the PSC website. Chairman Clark emphasized scam awareness, energy and water conservation, as well as Lifeline information.

Each May, the Commission participates in Older Americans Month, a national project to honor and recognize older Americans for their contributions to families, communities, and society. “Make Your Mark” was this year’s theme, but the Commission canceled its planned 2020 educational sessions due to the COVID-19 pandemic. Also canceled in May was the Jacksonville Expo, which the Commission annually attends for consumer outreach.

⁴⁶ NARUC, Lifeline Awareness Week, <https://www.naruc.org/our-programs/national-telephone-discount-lifeline-awareness-week/>, accessed October 27, 2020.

⁴⁷ FPSC, Lifeline Assistance, <http://www.floridapsc.com/ConsumerAssistance/LifelineAssistance>, accessed on September 25, 2020.

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Each quarter, the FPSC also names a valued partner agency or organization as a “Helping Hand,” for helping raise public awareness about the Lifeline program, energy and water conservation, and utility impersonation scams. Figure 11 represents the various events and locations where Lifeline information was shared in Florida as of July 2020.

**Figure 11
Commission Lifeline Promotion in Florida**

Lifeline Events and Locations	
21 st Active Living Expo–Tallahassee Senior Services	37th Annual Children’s Day–FL Museum of History
Bay County Council on Aging	Bethel Towers Senior Independent Living
Callaway Arts and Conference Center	Council on Aging - Kissimmee
Deltona Senior Center	Dixie County Senior Center
Florida Children’s Week at the Florida Capitol	Florida Senior Day at the Florida Capitol
Gilchrist Senior Service Center	Hamilton County Senior Center
Hands on Central Florida	Jim Fortuna Senior Center
Lafayette Senior Service Center	Lake Panasoffkee Senior Center
Lane Wiley Senior Center	Levy County Senior Center
Lunch and Learn – Bradfordville Community Center	Lunch and Learn – Ft. Braden Community Center
Lunch and Learn – Lake Jackson Community Center	Lunch and Learn – Miccosukee Community Center
Lunch and Learn – Milton Community Center	New Smyrna Beach Senior Center
One Senior Place – Altamonte Springs	Taylor County Senior Center
Union Congregational Church	

Source: Florida Public Service Commission, Office of Consumer Assistance & Outreach

Library Outreach Campaign

Each year the FPSC provides educational packets, including FPSC publications and Lifeline brochures and applications in English and Spanish, to Florida public libraries across the state for consumer distribution. The FPSC’s Library Outreach Campaign reached 616 state public libraries and branches in 2020. To reduce mailing and production costs, the Commission’s 2020 campaign included a cover letter, book marks, and our brochure order form. Following the Campaign, many libraries’ requests for additional publications have been filled.

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Ongoing Lifeline Outreach

Ensuring easy access to Lifeline information through the agencies and organizations having regular interaction with eligible consumers is crucial to the Lifeline awareness effort. The FPSC partners with many agencies year-round to make sure eligible consumers know about Lifeline and know how to apply. Prior to the COVID-19 pandemic, the FPSC scheduled and conducted two monthly community events to promote Lifeline. Each month, the FPSC also sends a cover letter and informational packet to two organizations to encourage continued Lifeline outreach to their eligible clientele.

Lifeline Partners

The local, state, and federal agencies, organizations, businesses, and telecommunications companies listed in Appendix D are involved in the collaborative effort to increase awareness and participation in the Lifeline program. These Lifeline partners have continued to develop new partnerships, participate in local community events, offer training sessions, provide updates about program changes, and supply brochures and applications.

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**Appendix A
2020 U.S. Poverty Guidelines**

Persons in family/household	2020 U.S. Federal Poverty Guidelines	135% of Federal Poverty Guidelines	Monthly income at 135% of Federal Poverty Guidelines
1	\$12,760.00	\$17,226.00	\$1,435.50
2	\$17,240.00	\$23,274.00	\$1,939.50
3	\$21,720.00	\$29,322.00	\$2,443.50
4	\$26,200.00	\$35,370.00	\$2,947.50
5	\$30,680.00	\$41,418.00	\$3,451.50
6	\$35,160.00	\$47,466.00	\$3,955.50
7	\$39,640.00	\$53,514.00	\$4,459.50
8	\$44,120.00	\$59,562.00	\$4,963.50

Source: Department of Health and Human Services. Annual Update of the Department of Health and Human Service Poverty Guidelines. Federal Register Notice, January 17, 2020
<https://www.federalregister.gov/documents/2020/01/17/2020-00858/annual-update-of-the-hhs-poverty-guidelines>

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**Appendix B
Lifeline Enrollment and Year-to-Year Net Growth Rate**

	ETCs	June 2017	June 2018	Net Growth Rate	June 2019	Net Growth Rate	June 2020	Net Growth Rate
Wireless	Assurance Wireless	224,282	418,874	87%	411,114	-2%	222,128	-46%
	SafeLink Wireless	346,488	232,088	-33%	167,966	-28%	130,362	-22%
	Access Wireless	89,904	31,874	-65%	14,795	-54%	8,740	-41%
	T-Mobile	630	1,023	62%	2,489	143%	3,307	33%
Incumbent Wireline	CenturyLink	9,108	5,251	-42%	3,875	-26%	3,056	-21%
	Frontier Florida	3,116	2,113	-32%	1,690	-20%	1,405	-17%
	Windstream	2,004	1,546	-23%	1,332	-14%	1,274	-4%
	Consolidated Communications	561	397	-29%	329	-17%	275	-16%
	NEFCOM	366	247	-33%	221	-11%	179	-19%
	TDS Telecom	138	112	-19%	112	0%	98	-13%
	AT&T	7,871	123	-98%	89	-28%	70	-21%
	ITS Fiber	69	46	-33%	20	-57%	58	190%
	Frontier of the South	26	20	-23%	19	-5%	21	11%
	Smart City	4	3	-25%	3	0%	4	33%
Competitive Wireline	Phone Club	148	120	-19%	143	19%	158	10%
	WOW!	58	46	-21%	50	9%	45	-10%
	Cox Telecom	675	556	-18%	409	-26%	0	0%
	Tele Circuit	321	201	-37%	37	-82%	0	0%
	Global Connection	95	7	-93%	0	-100%	0	0%
	Total	685,864	694,647	1%	604,693	-13%	371,180	-39%

Source: FPSC Data Requests 2017-2020

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**Appendix C
Lifeline Subscription by Service Type
(as of June 2020)**

	ETCs	Voice	Broadband	Bundled	Total
Wireless	Assurance Wireless	14,872	205,533	646	221,051
	SafeLink Wireless	11,816	10,990	106,009	128,815
	Access Wireless	1,855	30	6,901	8,786
	T-Mobile	271	7	2,891	3,169
Incumbent Wireline	CenturyLink	2,938	19	121	3,078
	Frontier Florida	1,106	78	216	1,400
	Windstream	507	128	642	1,277
	Consolidated Communications	279	1	4	284
	NEFCOM	111	1	66	178
	TDS Telecom	86	0	12	98
	AT&T	71	0	0	71
	ITS Fiber	6	44	9	59
	Frontier of the South	18	0	2	20
	Smart City	1	2	0	3
Competitive Wireline	Phone Club	158	0	0	158
	WOW!	15	9	22	46
Total		34,110	216,842	117,541	368,493

Source: USAC Disbursements in Florida

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**Appendix D
Agency, Organization, and Business Lifeline Partners**

Florida Lifeline Partners	
1000 Friends of Florida, Inc.	A Caring Hand Home Care
AARP–Florida Chapter	Ability Housing of Northeast Florida
ACCESS Florida Community Network Partners	Agency for Health Care Administration
Agency for Persons with Disabilities	Aging Matters in Brevard County
Aging Solutions, Inc.	Aging True Community Senior Services
Aging With Dignity	Alliance for Aging, Inc.
America's Second Harvest of the Big Bend, Inc.	Area Agencies on Aging
ASPIRE Health Partners	Big Bend 2-1-1 and other 2-1-1 Agencies
Boley Centers, Inc.	Braille and Talking Book Library
Brain Injury Association of Florida, Inc.	Bridges at Riviera Beach
Broward County Elderly & Veterans Services Division	Bureau of Indian Affairs Programs
Capital Area Community Action Agency, Inc.	CARES of Florida
Carrfour Supportive Housing	Catholic Charities of Central Florida
Center for Hearing and Communication	Centers for Drug Free Living
Centers for Independent Living	Central Florida Community Action Agency
City and County Consumer Assistance Departments	City and County Consumer Assistance Departments
City and County Housing Authorities	City and County Social Programs
Communities In Schools Foster Grandparent Program	Community Partnership Group
Community Legal Services	Deaf & Hard of Hearing Services of NW Florida, Inc.
Disability Rights Florida	Elder Options
Elder Source	Faith Radio Station and other Florida radio stations
Federal Social Security Admin - Tallahassee District	Feeding South Florida
First Quality Home Care	Florida Alliance for Information and Referral Services
Florida Assisted Living Association	Florida Association for Community Action
Florida Association of Community Health Centers	Florida Association of Counties
Florida Association of County Human Service Admin	Florida Association of Food Banks
Florida Association of Housing and Redevelopment Officials	Florida Coalition for Children
Florida Coalition for the Homeless	Florida Council on Aging
Florida Deaf Services Centers Association	Florida Department of Business and Professional Regulation
Florida Department of Children and Families	Florida Department of Community Affairs
Florida Department of Economic Opportunity	Florida Department of Education
Florida Department of Elder Affairs	Florida Department of Revenue
Florida Department of Veterans' Affairs	Florida Developmental Disabilities Council
Florida Elder Care Services	Florida Highway Safety and Motor Vehicles
1000 Friends of Florida, Inc.	A Caring Hand Home Care

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Florida Lifeline Partners (continued)	
Florida Home Partnership	Florida Hospital Association
Florida Housing Coalition	Florida Housing Finance Corporation
Florida League of Cities, Inc.	Florida Low Income Housing Associates
Florida Nurses Association	Florida Office of Public Counsel
Florida Ombudsman Program	Florida Public Libraries
Florida Public School Districts	Florida Rural Legal Services, Inc.
Florida Senior Medicare Patrol	Florida Senior Program
Florida Telecommunications Relay, Inc.	Florida Voters League
Good News Outreach	Goodwill Industries of Central Florida
Habitat for Humanity – Florida	HANDS of Central Florida
Hemophilia Foundation of Greater Florida	Hispanic Office for Local Assistance
HOPE Community Center	HOPE Connection
League for the Hard of Hearing	Leon County School Board
Little Havana Activities and Nutrition Centers	Living Stones Native Circle
Marion Senior Services	Miccosukee Tribe of Indians of Florida
Mid-Florida Housing Partnership, Inc.	Monroe County Social Services
NAACP (Florida Associations)	National Church Residences
Nursing Homes Administrators	One-Stop Career Centers
Osceola County Corrections Department	Palm Beach Community Action Agency
Refuge House of the Big Bend	Seminole County Community Development
Senior Connection Center, Inc.	Senior Friendship Centers
Senior Medicare Patrol	Senior Resource Alliance
Senior Solutions	Seniors First
SHINE Program	South East American Council, Inc.
Tallahassee Memorial Hospital	Tallahassee Urban League
Tampa Vet Center	Three Rivers Legal Services, Inc.
U.S. Department of Housing and Urban Development	United Home Care Services
United Way of Florida	Urban Jacksonville
Urban Leagues of Florida	Wakulla County Senior Citizens Council
Walton County Council on Aging	Washington County Council on Aging
We Care-Jacksonville	

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: November 5, 2020
TO: Braulio L. Baez, Executive Director
FROM: Office of Industry Development & Market Analysis (Long) *CH*
RE: Draft of the 2020 Regulatory Assessment Fee Report

CRITICAL INFORMATION: ACTION IS NEEDED - Please place on the November 17, 2020, Internal Affairs. Commission approval of draft report is sought. The 2020 Report is due to the Governor, the President of the Senate, and the Speaker of the House of Representatives, by January 15, 2021.

Pursuant to Section 364.336(3), Florida Statutes, "(b)y January 15, 2012, and annually thereafter, the commission must report to the Governor, the President of the Senate, and the Speaker of the House of Representatives, providing a detailed description of its efforts to reduce the regulatory assessment fee for telecommunications companies, including a detailed description of the regulatory activities that are no longer required; the commensurate reduction in costs associated with this reduction in regulation; the regulatory activities that continue to be required under this chapter; and the costs associated with those regulatory activities."

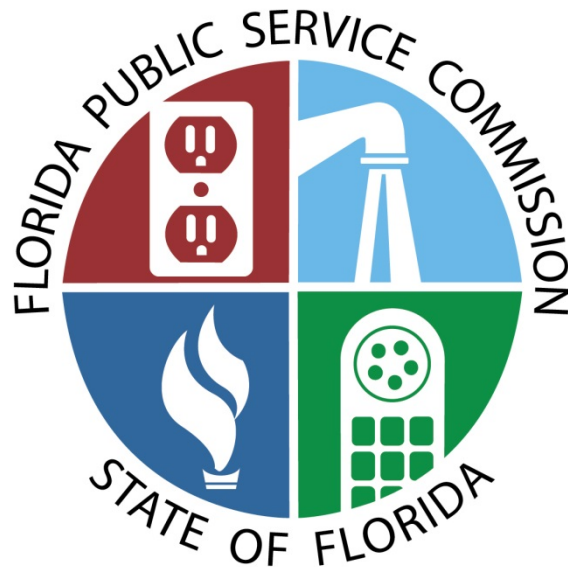
The draft report includes a staff-written synopsis of what actions the Commission has taken to comply with the statutory requirements. Staff is requesting approval of the draft report.

Attachment

cc: Mark Futrell, Deputy Executive Director, Technical

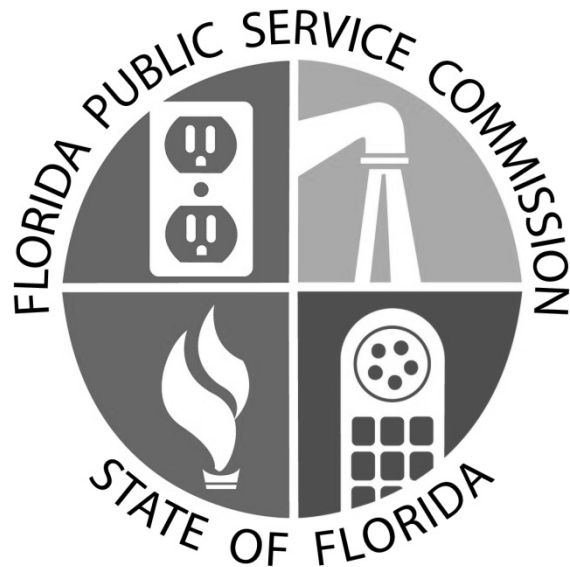
DRAFT

**REPORT ON THE EFFORTS OF THE
FLORIDA PUBLIC SERVICE COMMISSION
TO REDUCE THE REGULATORY ASSESSMENT FEE
FOR TELECOMMUNICATIONS COMPANIES**



As of December 2020

**REPORT ON THE EFFORTS OF THE
FLORIDA PUBLIC SERVICE COMMISSION
TO REDUCE THE REGULATORY ASSESSMENT FEE
FOR TELECOMMUNICATIONS COMPANIES**



As of December 2020

Office of Industry Development and Market Analysis

Introduction

During the 2011 Legislative Session, House Bill CS/CS/HB 1231, the “Regulatory Reform Act” (Act), was passed and signed into law by the Governor, effective July 1, 2011. Under the Act, the Legislature eliminated most of the Florida Public Service Commission’s (FPSC’s or Commission’s) retail oversight authority for the telecommunications wireline companies, yet maintained the FPSC’s authority over wholesale intercarrier issues. The FPSC was required to reduce its regulatory assessment fees (RAFs) charged to wireline telecommunications companies to reflect the concurrent reduction in FPSC workload. Section 364.336(3), Florida Statutes, requires:

By January 15, 2012, and annually thereafter, the commission must report to the Governor, the President of the Senate, and the Speaker of the House of Representatives, providing a detailed description of its efforts to reduce the regulatory assessment fee for telecommunications companies, including a detailed description of the regulatory activities that are no longer required; the commensurate reduction in costs associated with this reduction in regulation; the regulatory activities that continue to be required under this chapter; and the costs associated with those regulatory activities.

As a result of this Act, the FPSC reduced its RAF rates 20%, from 0.0020 to 0.0016 of companies’ gross operating revenues derived from intrastate business. This change became retroactively effective July 1, 2011. Florida telecommunications statutes have remained essentially unchanged since 2011. The FPSC has introduced numerous measures to streamline its telecommunications-related activities since that time, and continues to look for ways to streamline its remaining responsibilities.

Regulatory Activities That Are No Longer Required

The Act eliminated most of the retail regulation of local exchange telecommunications services by the FPSC, including the elimination of rate caps on all retail telecommunications services, elimination of telecommunications-related consumer protection and assistance duties of the FPSC, and elimination of the FPSC’s remaining oversight of telecommunications service quality. The Act also reformed the FPSC’s certification processes, authority over intercarrier matters, and other general revisions.

Consistent with the reduced authority of the FPSC from the Act, the FPSC ceased the following activities over the past several years:

- Resolving non-basic retail consumer billing complaints.
- Addressing slamming or cramming complaints from consumers. The FPSC continues to address slamming complaints that are reported by carriers under the Commission’s wholesale authority.

- Publishing and distributing materials informing consumers on billing-related matters or informative materials relating to the competitive telecommunications market.
- Designating wireless eligible telecommunications carriers (ETCs) in Florida for the federal universal service fund. Any wireless carrier seeking ETC status in Florida must petition the Federal Communications Commission (FCC) for that authority.
- Performing service evaluations on carriers or investigating and resolving service-related consumer complaints, except as they may relate to Lifeline service, Telephone Relay Service, and payphones.
- Allowing incumbent local exchange carriers (ILECs) to petition for recovery of storm-damage-related costs and expenses.
- Reviewing non-access service tariff filings for content, form, or format. It is the carrier's choice whether to file its rate schedules with the FPSC or publicly publish the schedules elsewhere, such as the companies' websites.

Savings

The FPSC has been pursuing cost savings and efforts to streamline regulatory processes for well over a decade. The origin of these streamlining efforts is not limited to the emergence and evolution of competition in the telecommunications industry. In fiscal year 1999/2000, the FPSC had 401 full time positions. That number was reduced over the years, leading to a total of 271 full time positions for the 2020/2021 fiscal year, a total reduction of 32 percent. Many of these reductions came as a result of projected workload reductions in the telecommunications area. At this time, the FPSC believes its telecommunications staff is right-sized for its current statutory obligations.

As previously discussed, effective July 2011, the FPSC reduced the telecommunications RAF rate from 0.0020 to 0.0016 of the gross operating revenues derived from intrastate business. In addition, all local telephone service providers now pay \$600 as the minimum fee instead of varying rates based upon the service offered.¹ At the current 0.0016 rate, carriers will pay this minimum fee up to \$375,000 in gross intrastate operating revenues. The reduced RAF rate was determined assuming reduced responsibilities, projecting staff hours on continuing telecommunications workload, and projecting telecommunications company revenues. As they have for several years, revenues subject to RAFs from telecommunications companies regulated by the FPSC continued to decline in 2020 as traditional wireline revenues are replaced by unregulated (VoIP/broadband) services.

¹ Previously, the minimum fee ranged from \$600 to \$1,000, depending on the type of service offered. Payphone operators continue to pay a minimum fee of \$100.

Regulatory Activities That Continue To Be Required

The FPSC regulates 301 telecommunications companies in some way as of December 31, 2020. The Commission continues to retain authority and responsibility in the following areas for telecommunications companies:

- Resolving intercarrier disputes involving interpretations and implementation of sections of the intercarrier agreements.
- Processing arbitrations of intercarrier agreements when the companies cannot negotiate all the terms of the agreement and request the FPSC to resolve issues the companies define.
- Reviewing interconnection agreements filed with the FPSC in accordance with federal requirements.
- Resolving cases involving area code relief, number conservation plans, number resource reclamation, local number portability, and other numbering issues.
- Analyzing information for and producing several statutorily required reports: the *Annual Report on the Status of the Telecommunications Access System Act of 1991*, the *Annual Report on Lifeline Assistance*, the *Report on the Efforts of the Florida Public Service Commission to Reduce the Regulatory Assessment Fee for Telecommunications Companies*, and the *Report on the Status of Competition in the Telecommunications Industry*.
- Maintaining oversight of the Florida Telecommunications Relay Service.
- Maintaining oversight of the Lifeline Program, including establishing eligibility criteria, coordinated enrollment, and monitoring ETCs.
- Issuing certificates of authority for telecommunications companies to operate in Florida, including evaluating the applicant's technical, financial, and managerial capability to provide service.
- Resolving consumer complaints relating to Lifeline, Relay Service, and payphones.
- Publishing network access tariff information for all incumbent local carriers.
- Publishing other tariff/rate schedule information for any certificated company if the company so decides.
- Publishing and distributing informative materials relating to the Lifeline Program and conducting related consumer outreach.

- Monitoring and/or participating in federal proceedings where the state's consumers may be affected and conveying the FPSC's policy positions.

Efforts to Reduce Costs

As previously stated, the FPSC has a long history of seeking cost savings and streamlining regulatory processes. With specific regard to the implementation of the Act, the FPSC initially undertook three new processes. First was the RAF rate reduction previously discussed. Second, the FPSC assessed the number of staff equivalents required to perform the duties associated with the deregulation measures in the Act. Based upon time sheet information, twelve positions were eliminated effective July 1, 2011. These positions reflected the elimination of service requirements, processing of most telecommunications customer complaints, long distance carrier activities, a reduction in price schedule maintenance, and a reduction in consumer information and outreach.

Third, the FPSC retained the National Regulatory Research Institute (NRRI) in May 2011 to review the FPSC's organization structure and work flow processes to determine if the FPSC should implement any additional changes in the telecommunications area. NRRI reviewed the agency operating procedures, organizational charts, and workload. Key telecommunications staff were interviewed and most telecommunications direct staff were given a survey to complete. NRRI studied the Act and the resulting changes to the FPSC's responsibility. The telecommunications direct staff of the FPSC was then compared to that of other states with respect to statutory authority and number of technical staff assigned. NRRI concluded that the structure of the FPSC's telecommunications group was appropriate and compared favorably to those in other states.

NRRI found that the size of the telecommunications group was correct, but made a few suggestions where the FPSC could add more streamlining or cost reduction measures. The FPSC implemented NRRI's recommendations, including:

- The FPSC further shifted responsibilities to the administrative staff for the competition report's document control and relay data collection functions.
- The FPSC simplified the review process, analysis of data, and reduced the length of the competition report.
- The FPSC encouraged and trained companies to submit tariffs and service schedules online.

In subsequent years, the FPSC has implemented many additional efficiency measures. In 2011, the FPSC had 115 telecommunications-related rules. Through consolidation, revision, and elimination, there are now 20 active telecommunications rules.

In 2013, the FPSC implemented agency-wide electronic filing and submission policies that will substantially reduce the number of paper documents at the agency. Coincidentally with the

agency-wide policy, the telecommunications group began updating its online tariff filing procedures and converting its existing tariff documents to digital format. All official copies of telecommunications tariffs, price lists, and service schedules are now available on the agency's website, as are all tariff updates. This development allows greater access to both consumers and companies, and reduces costs associated with record requests. Additionally, the FPSC continues the process of eliminating all obsolete or redundant paper archives of companies' rates and schedules.

Additionally, the telecommunications staff has become very flexible and able to perform a wide variety of functions. It has conducted periodic internal cross training on its remaining responsibilities, through both scheduled office-wide training sessions and temporary transfers of job duties. It has also developed comprehensive written Standard Operating Procedures for its functions. As staff become familiar with each other's duties, the requisite training time will be reduced should the need arise to further consolidate or transfer functions.

During 2012, the technical staff responsible for continuing the statutory mandates were consolidated and established as a stand-alone unit within the agency to maximize efficiency and minimize supervisory needs. Then, in 2017, as further efficiency measures and staff changes were implemented, the FPSC merged its telecommunications staff with another office to streamline its processes further. Some administrative and management functions were consolidated, creating more savings for the agency.

Other efficiency-related activity has included the transfer of call testing for the Relay Service from FPSC staff to the relay provider, streamlined telecommunications certification and certificate transfer processes, and further transfers of duties to administrative staff. As previously mentioned, the current staffing levels appear adequate for the FPSC's remaining statutory duties regarding telecommunications issues.

Summary

The FPSC has proactively responded to the changes in its statutory authority as a result of the Act. The agency has assessed the appropriate staffing levels for the telecommunications staff, and will continue to monitor the workload and staffing needs. The FPSC hired NRRI in 2011 to audit the FPSC's telecommunications program to determine if additional changes needed to be made. The audit results reflected favorably upon the program, and the FPSC has implemented NRRI's suggestions. The FPSC has reviewed its telecommunications rules and eliminated unnecessary or obsolete regulations. The agency continues to seek ways to economize its resources while maintaining a high quality work product for all industries under the FPSC's authority, including telecommunications.

III. Supplemental Materials for Internal Affairs

Note: The records reflect that there were no supplemental materials provided to the Commission during this Internal Affairs meeting.

IV. Transcript

BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION

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PROCEEDINGS: INTERNAL AFFAIRS

COMMISSIONERS
PARTICIPATING: CHAIRMAN GARY F. CLARK
COMMISSIONER ART GRAHAM
COMMISSIONER JULIE I. BROWN
COMMISSIONER DONALD J. POLMANN
COMMISSIONER ANDREW GILES FAY

DATE: Tuesday, November 17, 2020

TIME: Commenced: 9:30 a.m.
Concluded: 10:23 a.m.

PLACE: Betty Easley Conference Center
Room 148
4075 Esplanade Way
Tallahassee, Florida

REPORTED BY: DEBRA R. KRICK
Court Reporter and
Notary Public in and for
the State of Florida at Large

PREMIER REPORTING
114 W. 5TH AVENUE
TALLAHASSEE, FLORIDA
(850) 894-0828

1 P R O C E E D I N G S

2 CHAIRMAN CLARK: We will call the Internal
3 Affairs Agenda to order this morning.

4 It's great to see everyone. Those of you that
5 are here with us live and those of you that are
6 joining us via video, it's great to see everybody
7 this morning.

8 So let's begin the Agenda with the draft of
9 the 2020 Annual Report on FEECA, and I believe
10 that -- Mark, would you like to introduce the item,
11 or do we have someone on the line to do that?

12 MR. FUTRELL: Yes, sir, Mr. Chairman. Zachary
13 Rogers, with the Division of Economics, will
14 introduce this item.

15 CHAIRMAN CLARK: Mr. Rogers.

16 MR. ROGERS: Good morning, Commissioners.
17 Zachary Rogers with Commission Staff.

18 The item before you is the draft annual report
19 on activity pursuant to the Florida Energy
20 Efficiency and Conservation Act which, is more
21 commonly known as the FEECA Report.

22 Section 366.82(10), Florida Statutes, requires
23 the Commission to submit this report annually to
24 the Governor and the Legislature by March 1st.

25 This report summarizes each utility's achievements

1 toward meeting the energy conservation goals by
2 this commission.

3 In 2019, energy conservation programs saved
4 231 gigawatt hours of energy, and FEECA utilities
5 performed over 240,000 energy audits. This year's
6 report includes updates on programs geared towards
7 low-income customers, research and development
8 progress, and a summary of conservation
9 expenditures recovered through the conservation
10 cost recovery clauses, and a new appendix providing
11 information on energy audits. This is also the
12 first report that we have them savings from a gas
13 company, Peoples Gas.

14 I would like to thank Cindy Muir and the
15 Division of Consumer Assistance & Outreach for
16 their contributions to Section 5, which highlights
17 the Commission's community events and other efforts
18 to educate consumers on conservation.

19 Staff asks for the ability to make any
20 scriveners errors and request permission to the
21 work with the Chairman's office on the distribution
22 letters to the Governor and other parties.

23 Staff is seeking approval of the FEECA Report
24 and is here to answer any questions.

25 CHAIRMAN CLARK: All right. Thank you very

1 much, Mr. Rogers.

2 Commissioners, do you have any of questions
3 regarding the FEECA report?

4 Commissioner Brown.

5 COMMISSIONER BROWN: Thank you, Mr. Chairman.
6 And I hope you can hear me clearly. This is my
7 first call-in. I hope it sounds okay. I have a
8 few questions.

9 CHAIRMAN CLARK: Sounds great.

10 COMMISSIONER BROWN: Thank you. And it's good
11 to see you guys.

12 Starting with Section 3 in the report, which
13 highlights the goal achievements of the utilities,
14 is -- do we have representatives from the utility
15 on the line, Staff?

16 MR. FUTRELL: Commissioner Brown, this is Mark
17 Futrell.

18 My understanding is no utility had sought to
19 address the Commission, so they are not on the
20 line, but staff is available to try to answer your
21 questions.

22 COMMISSIONER BROWN: Great. Thank you. And I
23 do have a utility specific question.

24 So starting with the goal achievements for
25 Gulf Power. As the report indicates, Gulf was

1 unable to achieve any of its 2019 goals, and I did
2 want kind of some input on that, some feedback, but
3 more importantly, I wanted to hear about the
4 customer -- the lack of customer interest in the
5 energy audits, and kind of seek input about what
6 the utility is doing; because if you look at the
7 data, it looks like a lot of folks, especially this
8 past year, have been pursuing on-line energy
9 audits, and they have only continued to grow. So I
10 wanted to get some input on why -- both of those
11 elements.

12 MR. ROGERS: Thank you for the question,
13 Commissioner.

14 Yes, Gulf continued to see a decline in
15 requests for both their residential and commercial
16 industrial energy audits, and that decline is
17 leading to a lower participation in the other
18 programs they are offering.

19 In February 2020, this year, the company
20 submitted a new DSM plan with several program
21 changes intended to increase participation in order
22 to achieve their and the goals. So these program
23 changes are based on feedback from trade allies and
24 customers advisors as methods to increase
25 participation.

1 COMMISSIONER BROWN: Thank you.

2 Do you have any specific information regarding
3 the energy audits, which is a huge component for
4 customer participation in the DSM programs? That's
5 usually how the programs can be identified by
6 customers, is having an energy audit. What is the
7 utility doing to encourage energy audits?

8 MR. ROGERS: Chair, I don't have that right in
9 front of me right now, but we can get exactly what
10 they are doing, and get that to you today.

11 COMMISSIONER BROWN: Thank you.

12 And I would like an opportunity to have the
13 company address the Commission at least on that
14 front. And although we are not in goal setting or
15 program setting for the utility, given the report,
16 I would like to kind of delve in and get a response
17 from them, from the utility directly on that audit
18 front.

19 MS. HARLOW: Commissioner Brown, this is Judy
20 Harlow.

21 One of the things we received in the data
22 request from Gulf, I just wanted to add to
23 Zachary's point, was that Gulf is acting -- is
24 training their customer call center to more
25 actively seek opportunities for audits. So when

1 any customers call regarding high bills, or any
2 kind of billing issues, Gulf has worked with their
3 call center so that they can more accurately work
4 with those customers to direct them to the audit.

5 Of course, Gulf pointed out to us that due to
6 COVID, they are no longer doing in-house audits, so
7 we could also see a decline in this year's audits
8 as well as last year's. And we will be happy to
9 contact Gulf to see if we can get additional
10 information for you.

11 COMMISSIONER BROWN: Thank you.

12 And looking at its sister related company, it
13 looks like their on-line energy audits have really
14 just exponentially grown. So I would like to see
15 how they can do it moving forward in a COVID
16 environment, and what efforts they are doing
17 specifically.

18 And I also want to applaud Cindy and her staff
19 for doing such tremendous outreach throughout the
20 year. It's not a one-time thing. The Commission
21 actively encourages conservation and teaches and
22 educates, so I appreciate the work they are doing.

23 Just a few more questions, Mr. Chairman. I
24 don't have a ton.

25 CHAIRMAN CLARK: Go ahead.

1 COMMISSIONER BROWN: Thank you.

2 Regarding Duke Energy's R&D programs, very
3 exciting stuff. They are doing a lot of work on
4 the R&D front, Section 3.3, and I want to give them
5 some kudos for some of the exciting projects that
6 they have, including the valuation of long
7 duration, including customer side energy storage
8 systems.

9 I did want to hear about the results from the
10 partnership with USF that leverage customer -- it
11 got a lot of publicity in the area. It leveraged
12 customer sited solar PV and energy storage for a
13 cost-effective demand response program. So I
14 wanted to seek input from the utility about the
15 results of that project.

16 CHAIRMAN CLARK: Mr. Futrell.

17 MR. FUTRELL: And, Commissioner Brown, again,
18 as Ms. Harlow said, we will follow up with Duke and
19 get a little more detailed information and make
20 sure that's provided to you.

21 COMMISSIONER BROWN: Thank you.

22 Again, this is like, you know, one of those
23 opportunities that we get to really look at the
24 work that the utilities have done on the demand
25 side -- pardon me, the DSM programs and

1 conservation, so it -- it -- I really enjoyed the
2 report, and I would have really appreciated a
3 little bit more participation by the utilities here
4 today to get some feedback, because I wanted to
5 commend them on some of the strides they've made
6 over the past year. So maybe next year when we get
7 the report we can have some utility participation.

8 And I wanted to talk about the Tampa Electric
9 battery storage initiatives, which really are
10 robust too. It's so important in the location of
11 the projects that they have are tremendous. One of
12 them I wanted to highlight and get additional input
13 is on the large commercial electric vehicle lithium
14 batteries that export power to the company's grid
15 during peak times. Such a timely and relevant
16 topic, and it would be great to hear from the
17 utility about some of the results they are seeing
18 on that front.

19 So, Mr. Futrell, if you could seek some input
20 that would be great, since we don't have the
21 utility here to explain it.

22 MR. FUTRELL: We will do that, Commissioner.

23 COMMISSIONER BROWN: I think Commissioner
24 Graham has -- I have two more things, but
25 Commissioner Graham has something.

1 CHAIRMAN CLARK: Commissioner Graham.

2 COMMISSIONER GRAHAM: Thank you, Mr. Chair.

3 If we could share with Commissioner Brown,
4 this report is not due until March 1st, I mean, so
5 we don't have to approve this thing today if you
6 still need some questions answered to feel
7 comfortable about this.

8 COMMISSIONER BROWN: Thank you. That's a very
9 good point. I don't want to delay it, I just --
10 it's an -- these are important strides that have
11 been made, and I would like to hear from the
12 utilities directly.

13 CHAIRMAN CLARK: And I would say, Commissioner
14 Brown, we have the option to hold a special
15 workshop as well to bring the utilities in to
16 answer these questions. I would have no problem
17 with us setting something up in the very near
18 future to address these issues.

19 COMMISSIONER BROWN: That would be great. It
20 would be a very short, brief workshop, at least
21 from my side, unless the other Commissioners have
22 some input. But having the utilities here to
23 participate in some of the strides that have been
24 made would give us a more holistic view, I think,
25 before we approve the report.

1 CHAIRMAN CLARK: I would agree 100 percent. I
2 had some questions as well, but my questions are
3 going to be much more utility specific than staff
4 as well. So if it's in agreement with everyone, we
5 will just go ahead and ask staff to schedule us a
6 workshop in the very near future so that we can
7 invite the utilities to be a part of it so that we
8 can address some questions and concerns that we
9 might have.

10 MR. BAEZ: Mr. Chairman, the surest would be
11 in January.

12 CHAIRMAN CLARK: January IA, that gives us
13 plenty of time for modification. The report is due
14 March 1, am I correct?

15 MR. BAEZ: Yeah. The report is on track, and
16 if you decide to table it, that's not -- that's not
17 an issue. I am talking about being able to be
18 onboard. Also, there is some groundwork to get
19 laid in terms of the --

20 CHAIRMAN CLARK: I see no problem with us just
21 moving this item to the January IA, if that's
22 agreeable with everyone.

23 All in agreement? I see no objections.

24 COMMISSIONER BROWN: Thank you so much.

25 CHAIRMAN CLARK: All right. We will defer

1 this item to the January IA -- are there any
2 questions that anyone needs to address with staff
3 specifically today?

4 COMMISSIONER BROWN: I have -- I do have one,
5 Mr. Chairman.

6 CHAIRMAN CLARK: Yes, Commissioner Brown.

7 COMMISSIONER BROWN: Thank you.

8 And the report is kind of void of any
9 explanation on this. On page two, pursuant to our
10 order in 2019, we directed staff to review the
11 FEECA process for potential updates and revisions
12 as being appropriate.

13 It just says that. It doesn't actually expand
14 upon that, whether staff is suggesting any changes
15 or revisions, or currently still conducting
16 research and exploration. So I think the report
17 needs -- and I would like to hear from staff on
18 where we are on that as well, since we are now at
19 the end of 2020.

20 CHAIRMAN CLARK: Mr. Baez.

21 MR. BAEZ: Thank you, Mr. Chairman.

22 Commissioner, I had -- I was planning on
23 bringing this up a little later on in IA just to
24 give you an update on the rule-making process.

25 The short answerer, Commissioner Brown, is

1 that you are right. It is in the works, and the
2 research and the information gathering is happening
3 now. We are -- there is a workshop right now
4 scheduled for mid-January, I believe it's January
5 14th. And what our intention would be is to
6 release a discussion draft well ahead of that in
7 mid-December, so that the workshop -- the staff
8 workshop can be productive from the outset.

9 So that's the current status. So we are going
10 through internal drafts and discussion --
11 (inaudible) --

12 CHAIRMAN CLARK: Thank you, Mr. Baez.

13 Any other questions?

14 Commissioner Polmann.

15 COMMISSIONER POLMANN: Thank you, Mr.

16 Chairman.

17 I wanted to commend the staff. I think this
18 is very good work here, and brought forth in a
19 timely manner, so it does provide the opportunity,
20 as was just discussed, for this to come back to us
21 in January.

22 I appreciate Commissioner Brown's review here,
23 and I do agree that having the opportunity to
24 review this with the utilities will more thoroughly
25 give us the chance to have some public discussion

1 about this.

2 I also had thought that the rule-making
3 changes, or at least the review of that would be
4 appropriate. My comment on that is that I think
5 the discussion would be very much appropriate, but
6 looking in the context of this report, I had the
7 thought that maybe -- the question, I guess, is
8 whether or not it fits into this report, or whether
9 that's an ongoing discussion with the Commission
10 and others.

11 I am not quite sure of the sequencing here, or
12 if this is a report on the prior year. So that's
13 something that perhaps can be discussed later. I
14 do think it's most important that we get the
15 information back from the staff in the workshop.

16 Again, that's just a thought. But I did want
17 to, in parallel with Commissioner Brown, identify
18 that I had the same thought, and I had the same
19 question; but most importantly, I do appreciate the
20 timeliness here, and I think it does deserve a
21 pretty thorough review with the utilities.

22 So again, commend the staff on bringing this
23 forth with adequate time for Commission review and
24 some more discussion.

25 Thank you, Mr. Chairman.

1 CHAIRMAN CLARK: Thank you, Commissioner
2 Polmann.

3 Other comments?

4 All right. Sounds great. Well, this item is
5 deferred to the January IA, and we will pick up
6 Item No. 2, Draft of the Florida Lifeline
7 Assistance Program.

8 I believe Mr. Brandon Wendel is going to
9 introduce the item for us.

10 Mr. Wendel are you on the line?

11 MR. WENDEL: Good morning, Commissioners.

12 Brandon Wendel on behalf of -- (inaudible) --
13 Industry Development and Market Analysis staff.

14 Item 2 is staff's draft 2020 Lifeline Report.
15 This report is required by Section 364.10, Florida
16 Statutes, to be submitted to the Governor,
17 President of the Senate and the Speaker of the
18 House by December 31st of each year. The report
19 details federal and state regulatory actions that
20 impact the Lifeline Program, as well as Lifeline
21 promotion activities conducted in Florida.

22 Staff is requesting editorial privileges to
23 update non-substantive numerical data that may
24 become available before the report's issuance.

25 Staff is seeking approval of this report and

1 is available for any questions you may have.

2 Thank you.

3 CHAIRMAN CLARK: Thank you, Mr. Wendel.

4 All right. Staff -- excuse me, Commissioners,
5 any questions?

6 Commissioner Fay.

7 COMMISSIONER FAY: Thank you, Mr. Chairman.

8 I guess I have got kind of a general question
9 that staff could address. I know we had a
10 significant drop in the usage due to some changes.
11 When you look at the data you presented, it looks
12 like -- basically when you start, I guess on page
13 seven, you start in 2015, and then you look at all
14 the way down to June 2020, there is a significant
15 drop. Can you just sort of give us reassurance
16 that those changes are by the nature of what the
17 providers have done and nothing as specifically the
18 Commission has changed in our policies?

19 MR. WENDEL: So that is generally correct.

20 The major portion of the decline that was
21 experienced this year was attributed to a decline
22 in Assurance Wireless Lifeline subscribers, just
23 about 81 percent of that. And that was due to
24 Assurance Wireless' compliance with federal rules,
25 more specifically the non-usage rule, which is

1 outlined in Section V of the report.

2 Other than that, the majority of the
3 decline -- (inaudible) -- staff's analysis is just
4 compounding factors, including COVID-19, the FCC's
5 National Verifier -- (inaudible) -- and customers'
6 willingness to sign up for the Lifeline Program
7 itself.

8 COMMISSIONER FAY: Okay. Great.

9 And then just one other quick question on that
10 same page, seven, there is a talk about that
11 transitional year for Lifeline customers, where
12 they essentially can get a 30-percent discounted on
13 the basic local service. Is that discount capped
14 at the \$9.25, or, for that year, can the customer
15 exceed that subsidy?

16 MR. WENDEL: So my understanding of the
17 transitional lifelines, 30 percent of the cost of
18 basic service. So my understanding is that if you
19 look at an itemized bill, just the cost of, let's
20 say, wireline service will be included for that 30
21 percent.

22 COMMISSIONER FAY: Okay. And do you know if
23 it will exceed that basic 9.25 -- if the 30-percent
24 exceeded that, do you know if they would pay that
25 out, or would limit it just to that 9.25? And if

1 you need to follow up with me, that's fine, too.

2 MR. WENDEL: I would request a follow-up with
3 you, but based off the way -- my understanding of
4 the statute, I believe they are required to pay
5 that 30 percent, whether it exceeds it or not. I
6 would request follow-up with you.

7 COMMISSIONER FAY: Okay. Great.

8 Thank you, Mr. Chairman. That's all I had.

9 CHAIRMAN CLARK: Thank you, Commissioner Fay.
10 Other Commissioners, any questions?

11 I will entertain a motion to --

12 COMMISSIONER BROWN: Mr. Chairman, I --

13 CHAIRMAN CLARK: Yes, Commissioner Brown.

14 COMMISSIONER BROWN: That's what I was going
15 to do.

16 Lots of sufficient data here, and appreciate
17 Commissioner Fay's questions, and also staff's
18 willingness to include some COVID-19 updates from
19 the FCC in this report. I thought it was very
20 thorough. And with that, I would move approval of
21 the draft of the 2019 Florida Lifeline Assistance
22 Report.

23 COMMISSIONER FAY: Second.

24 COMMISSIONER BROWN: And giving you
25 administrative -- pardon me, a little

1 modification -- giving you permission to make any
2 administrative changes to the report as you see
3 fit.

4 CHAIRMAN CLARK: All right. We have a motion
5 and a second.

6 Any discussion on the motion?

7 All in favor say aye.

8 (Chorus of ayes.)

9 CHAIRMAN CLARK: Opposed?

10 (No response.)

11 CHAIRMAN CLARK: Motion carried.

12 All right. Next item is the Draft of the 2019
13 Telecommunications Regulatory Assessment Fee
14 Report. And I believe that Mr. Mark Long is going
15 go to be giving that report.

16 Mr. Long.

17 MR. LONG: Good morning, Commissioners.

18 In Item 3, staff is seeking approval of the
19 Draft 2020 Telecom Regulatory Assessment Fee
20 Report. The report is required by statute and is
21 due by January 15th, 2021.

22 Staff is available for questions at this time.

23 CHAIRMAN CLARK: Thank you.

24 Commissioners, do you have any questions for
25 Mr. Long on the draft report?

1 Seeing no questions, I will entertain a motion
2 to approve.

3 COMMISSIONER FAY: Mr. Chairman, I move for
4 approval.

5 CHAIRMAN CLARK: Commissioner Fay moves
6 approval.

7 COMMISSIONER BROWN: Second.

8 CHAIRMAN CLARK: I have a second.

9 Any discussion?

10 On the motion, all in favor say aye.

11 (Chorus of ayes.)

12 CHAIRMAN CLARK: Opposed?

13 (No response.)

14 CHAIRMAN CLARK: Motion carries.

15 Thank you very much.

16 All right. Next up, Item No. 4, the EV Master
17 Plan Report. I believe Mr. Ben Crawford is going
18 to give this report.

19 Mr. Crawford, are you available?

20 MR. CRAWFORD: Yes, I am, Commissioner.

21 CHAIRMAN CLARK: Thank you, you may begin.

22 MR. CRAWFORD: All right. Thank you.

23 Good morning, Commissioners. My name is Ben
24 Crawford. I am a Public Utility Supervisor in the
25 Office of Industry Development and Market Analysis.

1 I am here to provide a status update on
2 Staff's activities related to the PSC's obligations
3 under Senate Bill 7018 and the Electric Vehicle
4 Charging Infrastructure Master Plan.

5 As you may recall from our last update, Staff
6 issued a request for comment regarding certain
7 subject matters to be developed for the report that
8 is due in 2021. In response, Staff received 15
9 sets of comments from various stakeholders. These
10 contributors included the generating investor-owned
11 utilities, three of the large munis, several EV
12 charging companies and other EV stakeholders and
13 two environmental organizations. Staff created a
14 page on the Commission website to make all these
15 comments available to the public.

16 On October 21st, staff conducted a workshop
17 via teleconference to discuss the comments we
18 received. All of the stakeholders that had filed
19 comments participated in the workshop, as well as
20 the Office of Public Counsel. IDM's staff posed
21 several questions to the stakeholders, and they, in
22 turn, provided a robust discussion on electric
23 vehicle charging station deployment in Florida.

24 At the conclusion of the workshop, Staff gave
25 the commenters and any other stakeholders the

1 opportunity to file postworkshop comments
2 responding to what was discussed during the
3 workshop. Staff has asked for these comments to be
4 filed by November 20th, which is this coming
5 Friday.

6 Staff intends to update the workshop page to
7 include these postworkshop comments once we have
8 received them, and we have already added the
9 transcript of the workshop to the page as well.

10 IDM staff has continued to have regular
11 meetings with the Florida Department of
12 Transportation and Office of Energy staff regarding
13 the development of the master plan. Most recently,
14 we participated in a webinar conducted by DOT on
15 November 12th to publicly vet a draft outline of
16 the interim report that is due to the Legislature
17 on December 1st.

18 I would like to note the collaboration with
19 DOT and the Office of Energy has been very
20 constructive, and they have all been a pleasure to
21 work with.

22 Moving forward, once we have received the
23 final round of stakeholder comments at the end of
24 the week, we will begin incorporating the
25 information we have developed, both through our own

1 search and via stakeholder outreach into a final
2 document for submission to DOT for incorporation
3 into the final report. Staff is confident that we
4 have a strong base of material to work from in
5 developing this document. We plan to submit our
6 information to DOT the first week of February 2021.

7 Thank you for the opportunity to update you on
8 all of this, and I will be happy to answer any
9 further questions you have.

10 CHAIRMAN CLARK: All right. Thank you, Mr.
11 Crawford.

12 Commissioners, do you have any questions?
13 Commissioner Fay.

14 COMMISSIONER FAY: Thanks, Mr. Chairman.

15 I was just curious if Ben could point us to
16 where on our website those comments are posted?

17 MR. CRAWFORD: Yeah, give me a second and I
18 will -- what we have is, if you go over to Utility
19 Regulation, the tab on the top on the home page,
20 you will see the first entry is Electric Vehicle
21 Workshop, October 21st, 2020. We've got everything
22 filed under there right now. And like I said, we
23 are going to update that with everything we've got
24 coming in still.

25 COMMISSIONER FAY: Gotcha. Great. Thank you

1 so much.

2 CHAIRMAN CLARK: Mr. Crawford, if you read
3 those comments and you find Commissioner Fay
4 requesting his own personal charging port, we will
5 just throw that one out. He is not getting one.
6 We've already decided that.

7 Commissioners, any further questions?

8 COMMISSIONER BROWN: I -- Mr. Chairman, I just
9 want to thank Ben and Shelby and all the other
10 staff members who have put in so many hours. I
11 tried to stay on the first call. It was very, very
12 lengthy and very complex, and I know they are
13 working really hard to collaborate with DOT on
14 producing a good work product. So you guys are
15 doing a great job.

16 MR. CRAWFORD: Thank you very much,
17 Commissioner.

18 CHAIRMAN CLARK: All right. Other questions
19 for Mr. Crawford?

20 All right.

21 COMMISSIONER POLMANN: Mr. Chairman --

22 CHAIRMAN CLARK: Yes, Commissioner Polmann.

23 COMMISSIONER POLMANN: I understand your
24 comment -- I understand your comment regarding
25 Commissioner Fay. I think that's entirely fair,

1 but I would like to put in a request for myself.

2 CHAIRMAN CLARK: Duly noted for the record.

3 COMMISSIONER POLMANN: I think I have a
4 special circumstance coming up first of the year,
5 so if I could put that request in now, I would
6 appreciate your consideration.

7 CHAIRMAN CLARK: Duly noted.

8 COMMISSIONER POLMANN: Thank you, sir.

9 CHAIRMAN CLARK: Other questions?

10 All right. Seeing none, thank you very much.

11 I don't believe we need any action on that
12 item as stated, so we will move into our General
13 Counsel's report.

14 Mr. Hetrick.

15 MR. HETRICK: Thank you, Mr. Chair.

16 As you know, we have discussed today, I would
17 like to kind of go over and raise a matter with you
18 and the Commission -- Commissioners, good morning
19 -- briefly discuss this matter and seek the
20 Commission's approval to move forward on this
21 matter. Braulio and I have discussed it in great
22 detail. It's just that I drew the short straw
23 today to kind of present this to the Commission.

24 So, Commissioners, what Braulio and I have
25 discussed and want to kind of go through with you

1 is that we've some come to believe that there is an
2 unintended glitch or conflict in the harmony of the
3 laws between Chapter 286, the Sunshine Law, and
4 Chapter 120, Florida's Administrative Procedures
5 Act. We discovered this as we kind of looked back
6 over our experience in the Duke Bartow case, and
7 then that case, and we looked at it from the
8 perspective of having to send that case over to
9 DOAH from the very start.

10 As you recall in that case, because virtually
11 all of the testimony and exhibits filed by Duke and
12 OPC were confidential. The only way to reasonably
13 consider information, cross-examine witnesses and
14 conduct the hearing was to -- was either for the
15 PSC to close the hearing or send the case to DOAH
16 where DOAH could close the hearing.

17 Because Chapter 286, the Sunshine Law, does
18 not expressly allow the Commission to close a
19 hearing for any reason, the Commission, in that
20 case, was forced to send the case over to DOAH,
21 where DOAH could, and, in fact, did close that
22 hearing.

23 The Duke Bartow was merely the example that
24 brought into light a situation that where a hearing
25 deals with, substantially with confidential

1 information, the Commission may have no choice but
2 to send a case to DOAH because it cannot close a
3 hearing, or portions of a hearing, when dealing
4 with confidential information.

5 In our view, if the Commission finds itself in
6 the situation where, or not, where it has to send
7 the case to DOAH as a result of Chapter 286, the
8 Sunshine Law, this situation not only puts --
9 unfairly puts the Commission in a situation of
10 having to abdicate its primary statutory
11 responsibility and its expertise, but this also
12 runs directly counter to Chapter 120.569, Florida
13 Statutes, which provides that each agency may refer
14 a matter to DOAH.

15 Now, this "may" language in Chapter 120 is
16 extremely important because Chapter 120 operates on
17 the premise that an agency always has the
18 discretion and choice to send a case to DOAH or
19 hear the case itself. If an agency chooses to send
20 a case to DOAH, as is the general practice with
21 most other agencies, the Agency nonetheless
22 understands that it must abide by all of the legal
23 standards that apply when the Administrative Law
24 Judge operates was the fact-finder in the case.

25 And as you know, the PSC historically operates

1 differently than many other agencies, and for good
2 reason. We hear most of our own cases in-house
3 because they are infused with fact, law and policy,
4 and they are always under the umbrella of the
5 public interest.

6 And we have sent cases to DOAH before,
7 especially when those cases involve a lot of
8 complicated facts and no real policy, but they
9 are -- when we do so, it's always a voluntary
10 choice to do so. Most of our cases are kept
11 in-house.

12 And as we all know, the fact-finding role is
13 very important, particularly in the world of the
14 Commission. This is because the Commission has a
15 unique knowledge and expertise of utility operation
16 and law that it brings to bear on the decisions
17 that it must render.

18 Simply put, when the PSC chooses to send a
19 case to DOAH, there is an understanding that the
20 DOAH judge will be primarily in charge of
21 fact-finding versus the Commission, and is the law.
22 But the Commission should always be placed in the
23 position, like any other agency, of voluntarily
24 choosing to send a case to DOAH versus having no
25 choice but to abdicate its role as fact-finder.

1 Now, when you look closely at Chapter 286
2 Florida Statutes, the Sunshine Law, particularly
3 286.0113, you will actually see that the municipal
4 utilities have had such an exemption in place for
5 many years; that is, the very limited ability to
6 close a hearing only when they are dealing with
7 confidential information.

8 So today, we would like to propose to the
9 Commission a similar identical exemption in the law
10 under Chapter 286 for the Public Service
11 Commission. We believe that on the heels of Duke
12 Bartow, the timing is right to seek a change in the
13 law.

14 It would, No. 1, fix the administrative
15 process harmonic glitch in the statutes once and
16 for all.

17 No. 2, I think a change in the law obviously
18 would prevent having to send a case to DOAH under
19 any circumstance. And that's a good thing.

20 But No. 3, more importantly, I think the most
21 important reason to consider this change in the
22 law, and you remember I said earlier that the Duke
23 case -- the Duke Bartow case was merely the example
24 that brought this situation to light. I think the
25 more important reason to have the ability to close

1 a portion of a hearing solely to consider
2 confidential is that it would create a much more
3 efficient, dynamic hearing and decision-making
4 process for the Commission when dealing with
5 confidential information.

6 As you know, our current processes for dealing
7 with confidential information during the course of
8 a hearing are very cumbersome, outdated and
9 disjointed, and often inhibit the flow and
10 contextual consideration of information. The
11 ability to close that portion of a hearing when
12 dealing solely with substantial confidential
13 information, which actually may be central to a
14 decision in our view, would better protect the
15 public interest, and give the Commission a tool in
16 its toolbox to utilize, if it so desires, to more
17 efficiently consider confidential information
18 during the course of a hearing.

19 It's very -- it's extremely important to point
20 out in this discussion today that our proposal in
21 this concept would not expand the definition of
22 confidential information. That's not what this is
23 about. It would simply give the Commission the
24 same right as the munis now have; that is, the
25 discretion to close portions of a hearing only for

1 the sole purpose of discussing and asking questions
2 about confidential information during the course of
3 a hearing without having to, as is the current
4 practice, dance around those issues, which I think
5 is very difficult for the Commission to really
6 fully explore the notion of some of those essential
7 components of confidential information.

8 So today, we seek your approval of this
9 concept to pursue such a statutory change in the
10 Legislature next session. It's also important to
11 understand that we believe this to be a process
12 administrative fix in the law. It is not a policy
13 issue. This is not the big -- a start of us trying
14 to get into statutes and recommend policy changes.
15 This is simply a procedural glitch fix in the law.

16 So again, the specific concept is to authorize
17 staff to seek what we believe is a procedural or
18 process change in the law, which would implement
19 the concept of the Commission having the ability to
20 close a portion of the hearing, solely for the
21 purpose of dealing with confidential information,
22 similar to what the municipal utilities already
23 have in place under Chapter 286.0113(3).

24 At this point, that concludes my approach to
25 this issue, Mr. Chair, and I would probably ask if

1 Braulio has any additional comments on this.

2 CHAIRMAN CLARK: Mr. Baez.

3 MR. BAEZ: Nothing at the moment, but as the
4 conversations, I will stand by.

5 CHAIRMAN CLARK: All right. So let me see if
6 I can summarize that in 10 words.

7 You are asking us to authorize staff to
8 propose a legislative fix. So how would that work
9 in terms of staff's involvement? Are you going to
10 bring back proposed language to us, or are we just
11 authorizing the general concept and you move
12 forward with it? What's the --

13 MR. BAEZ: I will take that one, Mr. Chairman.

14 CHAIRMAN CLARK: Okay.

15 MR. BAEZ: First of all, this is extraordinary
16 in a way, at which there -- there is your question.
17 The reason this is before you, in my estimation, or
18 certainly my reasoning for it, as well as Keith's,
19 is that since this is -- since this is a process
20 change that essentially directly affects your
21 ability to participate in the broadest way or
22 effective way possible during a hearing, we felt it
23 was important to discuss it with you all.

24 In terms of -- in terms of giving us
25 authority, I would say not necessarily. Certainly

1 not in a formal sense. But we needed to tee it up
2 for you as an opportunity, A, to discuss your
3 feelings on it.

4 Understand, Commissioners, that this is Keith
5 and I, and the rest of your senior staff's sort of
6 reaction and attempt to try and bring more
7 effective and more efficient use of hearing time,
8 et cetera. But the bottom line is that --

9 CHAIRMAN CLARK: Sure.

10 MR. BAEZ: -- you all are the ones that are
11 directly affected.

12 CHAIRMAN CLARK: Well, and I think we all -- I
13 think we are all in agreement that the way we had
14 to handle the last proceeding was not what we would
15 have preferred.

16 MR. BAEZ: Not optimal, no.

17 CHAIRMAN CLARK: That's just, I don't think,
18 the very nature of the five people I am staring at
19 on the screen, it's not their nature to pass
20 anything along, but we didn't feel like there was
21 an option in this case. So this would give us
22 another tool in the toolbox to be able to handle a
23 case where the items were -- it did deal with a
24 significant amount of confidential information.

25 I guess, in the post COVID world, we are going

1 to have to figure out probably a whole nother set
2 of ways to manage a hearing within that environment
3 in a confidential -- in a more confidential closed
4 environment, but I assume that can be incorporated,
5 or that will be a procedures issue as opposed to
6 legislative.

7 MR. BAEZ: There are things, obviously, that
8 fall within the in-house -- (inaudible) -- and I
9 think you alluded to it, has probably been perhaps
10 the greatest challenge of late during the pandemic
11 was adapt our process to accommodate the new
12 situations and the new limits.

13 This, I would -- so I wouldn't say that the
14 pandemic, necessarily, is responsible for this, but
15 also, parenthetically, kudos to Keith for using
16 harmonic glitch, because I really believe that
17 that's what it is. And although he alludes to the
18 recent case that brought all of this to light, I
19 will tell you from personal experience, you know,
20 it is a frustrating thing to be listening to
21 testimony and having to dance around the red
22 folders and, you know, we are, I guess, late to the
23 game perhaps, but something that probably could
24 have used an attempt to address it early on, yet
25 here we are.

1 You asked a question. We are not proposing
2 any -- we are not proposing any language. And I
3 think it would be -- I don't think it would be a
4 good use of time to be discussing draft language
5 now. A, we don't really have it in our thoughts in
6 final form. But, you know, this is something
7 that's going to be taken care of through the
8 legislative process, and I don't think marrying
9 ourselves to any specific language works towards
10 the benefit of our -- (inaudible) --

11 CHAIRMAN CLARK: Okay. I think we are on the
12 same page, I am fully supportive. I think this is
13 a critical importance to the future of the
14 Commission, especially as we get into what seems to
15 be more and more complicated issues.

16 Commissioners, your thoughts and ideas. Would
17 you like to express an opinion?

18 Commissioner Brown, you are nodding first, so
19 you have the floor.

20 COMMISSIONER BROWN: Thank you.

21 I feel -- I do want to commend Keith for
22 bringing this to our attention. This has always
23 been an area that I -- it puzzled me coming from
24 even the City of Tampa as a City Attorney, we had
25 proceedings that were not as evidentiary in nature

1 as ours are, and the municipal is allowed to have a
2 thing called a shade meeting. Art is probably
3 familiar with it as a former City Commissioner, and
4 so it is applicable in certain areas with
5 confidential information.

6 So it always puzzles me because we do strive
7 diligently to protecting all of the laws that we
8 are here to adhere to and have our process
9 efficient. But I think the fact that this one case
10 just presented to us the challenges, and we are the
11 subject matter experts, that I think it's a great
12 thing that you are proposing.

13 I do think that we are going to probably get
14 some pushback from some Sunshine Law advocates, but
15 I think pointing to the relevant applicable law, as
16 Keith just did, with the other municipal utilities,
17 really kind of puts some clarity.

18 Again, our proceedings are evidentiary in
19 nature, and we are the subject matter experts, and
20 there are very sensitive information that comes up.
21 So very wordy, but I would support the endeavor.

22 CHAIRMAN CLARK: Thank you, Commissioner
23 Brown.

24 Commissioner Graham.

25 COMMISSIONER GRAHAM: Thank you, Mr. Chairman.

1 I support the idea. The other question I
2 guess I have is is this the only reason why the
3 munis have the ability to have a closed door
4 meeting? I guess my question is there may be
5 something else that's coming down the line, that
6 could come down the line that we could -- if we are
7 going to open the door, let's just see what else
8 they can do that we can't do.

9 MR. HETRICK: Is that question?

10 CHAIRMAN CLARK: Yes, that's a --

11 MR. HETRICK: Okay. I don't know the answer
12 to that question, Commissioner Graham. So we can
13 certainly look at that, and look at some more
14 in-depth laws around munis and get back with you on
15 that portion of it.

16 CHAIRMAN CLARK: Commissioner Graham, are you
17 referring to things like how they handle
18 negotiations and things of that nature?

19 COMMISSIONER GRAHAM: Well, some of the stuff
20 may not be applicable to us, but something that
21 may --

22 CHAIRMAN CLARK: Right.

23 COMMISSIONER GRAHAM: -- you know, may be in
24 our playbox, in our sandbox, you know, if we are
25 going to open this door, we might as well look at

1 that as well.

2 MR. BAEZ: Commissioner Graham, the only -- I
3 am trying to think back to a prior life, and I know
4 that circumstances where an executive session is
5 appropriate. We've had those over the years. They
6 are pretty much limited to litigation that the
7 Commission may be involved in, and discussions with
8 outside counsel, and things of that nature.

9 As Keith said, we'd love -- we would be more
10 than happy to look into it, but I do want to stress
11 that this is a -- this is a targeted subject that
12 we are trying to address. And I think Commissioner
13 Brown alluded to a good point that I would like to
14 repeat.

15 This is -- we are not reinventing the wheel.
16 We are -- we are trying to -- we are trying to
17 access, for the sake of the efficiency of our
18 process, the greater efficiency of our process, we
19 are just trying to access capability and
20 authorities that already exist in other --
21 (inaudible) -- we are just trying to bring them
22 here, and we are, you know, pretty confident we can
23 make our case as it becomes necessary.

24 CHAIRMAN CLARK: Keith, you will look at and
25 see if there is anything that might apply and bring

1 that back to the Commission?

2 MR. HETRICK: Right. But I want to be clear
3 on this point, and we will do that, we will do
4 whatever the Commission wants. We can always
5 broaden this at a later date, but I do think that
6 the timing, this being November, is important to
7 consider this specific proposal. And I believe
8 that the Commission does need to approve the
9 concept for it to be in the proper posture for us
10 to be able to go to the Legislature, and for the
11 Legislature to be able to consider this, and today
12 is the day to do this part.

13 Commissioner Graham, we can always expand this
14 down the road, but you got to get started. And out
15 of the gate, right now is, in time for this
16 session, is now.

17 CHAIRMAN CLARK: Commissioner Graham.

18 COMMISSIONER GRAHAM: Thank you, Mr. Chair.

19 I completely agree with both Keith and
20 Braulio. I am not looking to make this convoluted.
21 My point is I think we can move forward with
22 exactly what Keith is asking for now, but that
23 doesn't mean we have to keep blinders on as we are
24 moving forward through the process. There could be
25 something that we stumble right over that it's just

1 obvious that we hadn't talked about yet. That's my
2 only point.

3 CHAIRMAN CLARK: Duly noted.

4 MR. HETRICK: Yes. Absolutely.

5 CHAIRMAN CLARK: All right. Anything else,
6 Commissioner Graham?

7 Commissioner Fay.

8 COMMISSIONER FAY: Thank you, Mr. Chairman.

9 And this is, I guess, an interesting issue for
10 the Commission to address. I was thinking in the
11 short time I have been here, I have actually been
12 in a hearing where a witness has accidentally
13 blurted out a specific proprietary number for an
14 entity, and that, I think in itself, shows that
15 this might be something worth discussing.

16 I was looking, as Keith mentioned, 286.0113,
17 this is one of the first times I am looking at this
18 statute, but I am a little confused or even
19 surprised that the Commission is not in this to
20 operate like any municipal would operate to address
21 issues. So with that, I also, you know, bless the
22 concept and the idea.

23 I will say that I would be extremely attentive
24 to any idea of creating a new public records
25 exemption within 119. That would be concerning to

1 me, and I think that would be something that the
2 Legislature would review within their own
3 authority, and not necessarily something that we
4 would be putting forward. But once again, I am one
5 of five. So I will leave you with that as part of
6 maybe your directive as you communicate with the
7 Legislature, knowing that this is strictly a
8 procedural issue to be addressed, and not a policy
9 directive.

10 So I look forward to keeping track of it, and
11 I wish Keith and Braulio good luck in navigating
12 this.

13 CHAIRMAN CLARK: I think that's a point well
14 taken, Commissioner.

15 MR. BAEZ: I was only going to reassure
16 Commissioner Fay that 119 is not in play here at
17 all. I mean, I think we are trying to address how
18 you all, sitting as the Commission, can handle the
19 documents and information that already falls within
20 existing exemptions. Again, as you already said,
21 119 is not part of the focus here. This is really
22 procedural in nature.

23 CHAIRMAN CLARK: All right. Commissioner Fay,
24 do you have anything else?

25 COMMISSIONER FAY: Just real quick, Mr.

1 Chairman.

2 I think Braulio, we are getting a little cut
3 out on his mic on our end, so he might not be
4 talking directly into the mic. I just wanted to
5 mention that.

6 CHAIRMAN CLARK: Okay. Thank you.

7 COMMISSIONER FAY: I don't know if that was
8 intentional or not.

9 MR. BAEZ: I have a tendency to mumble at
10 times. I was trying my best.

11 CHAIRMAN CLARK: All right. Thank you,
12 Commissioner Fay.

13 Commissioner Polmann.

14 COMMISSIONER POLMANN: Thank you, Mr.
15 Chairman.

16 I will simply say ditto. I agree with
17 everything that's been said by everyone who has
18 spoken on this item. I don't know what kind of
19 authorization is being requested here, in what
20 forum we need to act, but I would recommend that
21 the Commission provide the authorization that is
22 being requested, and that's the concept, move
23 forward expeditiously, Mr. Chairman.

24 CHAIRMAN CLARK: Thank you, Commissioner
25 Polmann.

1 I think we are operating under general consent
2 of the organization. Everybody seems to be in
3 favor of staff moving forward with putting this
4 proposal together. So if there are no further
5 comments or questions, we are going to authorize
6 staff to do so.

7 No questions? Any questions?

8 All right. We are done.

9 Mr. Hetrick, anything else on your report?

10 MR. HETRICK: No. Thank you, Mr. Chair. I
11 appreciate it.

12 CHAIRMAN CLARK: Thank you very much. Great
13 work.

14 Mr. Baez, Executive Director's Report.

15 MR. BAEZ: Thank you, Mr. Chairman.

16 I had very little by way of report. It was
17 mostly an update on Commissioner Brown's earlier
18 question on the DSM rule-making, and I think the
19 dates, I may have mentioned them out loud, I think
20 we intend on scheduling the rule workshop on
21 January 14th. And as I said before, the draft
22 language -- (inaudible) -- well in advance in order
23 that we can hit the ground running with the
24 discussion.

25 And lastly, I would be remiss if I did not

1 thank all of staff involved, not just in this IA,
2 but in the day-to-day producing of the work that
3 they do at the level that they do it. This
4 continues to be a challenging time for everyone,
5 but I think we have remained on task thankfully.
6 And the quality of the work that our staff is
7 producing, I am very close pleased, and I am proud
8 to stand behind them and I hope you are too.

9 Thank you.

10 CHAIRMAN CLARK: Well stated. Well stated.

11 All right. Commissioners, that concludes our
12 scheduled Agenda. Do you have anything to bring
13 before the group today? Anyone?

14 All right. Sounds great. Well, we will stand
15 adjourned until one o'clock this afternoon.

16 Just a reminder, we have a hearing scheduled
17 at one o'clock hard start time, so enjoy this
18 extended lunch break that we are giving you. See
19 you at 1:00.

20 Meeting adjourned.

21 (Proceedings concluded.)

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COUNTY OF LEON)

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