



Southern Alliance for Clean Energy comments on 2020 Ten Year Site Plans

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SACE MISSION

ABOUT SACE

The Southern Alliance for Clean Energy (SACE) is a nonprofit organization that promotes responsible energy choices to ensure clean, safe, and healthy communities throughout the Southeast. As a leading voice for energy policy in our region, SACE is focused on transforming the way we produce and consume energy in the Southeast.

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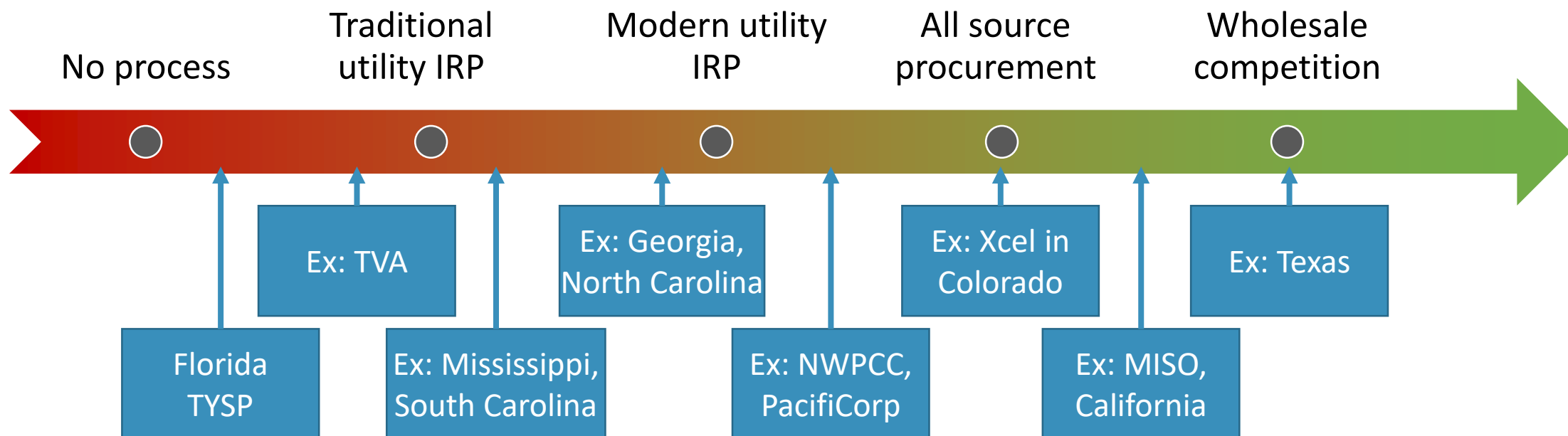
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Florida's TYSP process has led to an
over-reliance on gas that:

- ↑ Increases costs to ratepayers
 - Flatlines CO₂ emissions
- ↑ Increases stranded risk exposure

FLORIDA TYSP PROCESS OUTLIER IN RESOURCE PLANNING



Features of some examples:

- TVA: IRP without regulatory oversight
- North Carolina: stakeholder feedback on draft IRP before completion of final IRP
- NWPCC: energy efficiency as a resource
- Xcel: all-source procurement best practices in practice
- MISO: wholesale competition with self-scheduling and capacity market
- Texas: no utility-owned generation, energy-only market

TYSP PROCESS OUTLIER

- No alternatives presented
- Most data, assumptions, scenarios not visible
- Stakeholders and commission can only react, cannot engage in development of plan itself

**Recommendation:
Commission hold a workshop
on how Florida's resource
planning process compares
to others**

NEW GAS INCREASES COSTS TO RATEPAYERS

NextEra: “Solar is expected to be the cheapest source of electric generation other than wind after investment tax credit steps down.”¹

More cost effective investments for customers: energy efficiency, solar, and soon storage

20-25% of all revenue collected from electric customers spent on gas, meaning utilities send \$4-6 billion of Floridan’s money out-of-state every year.

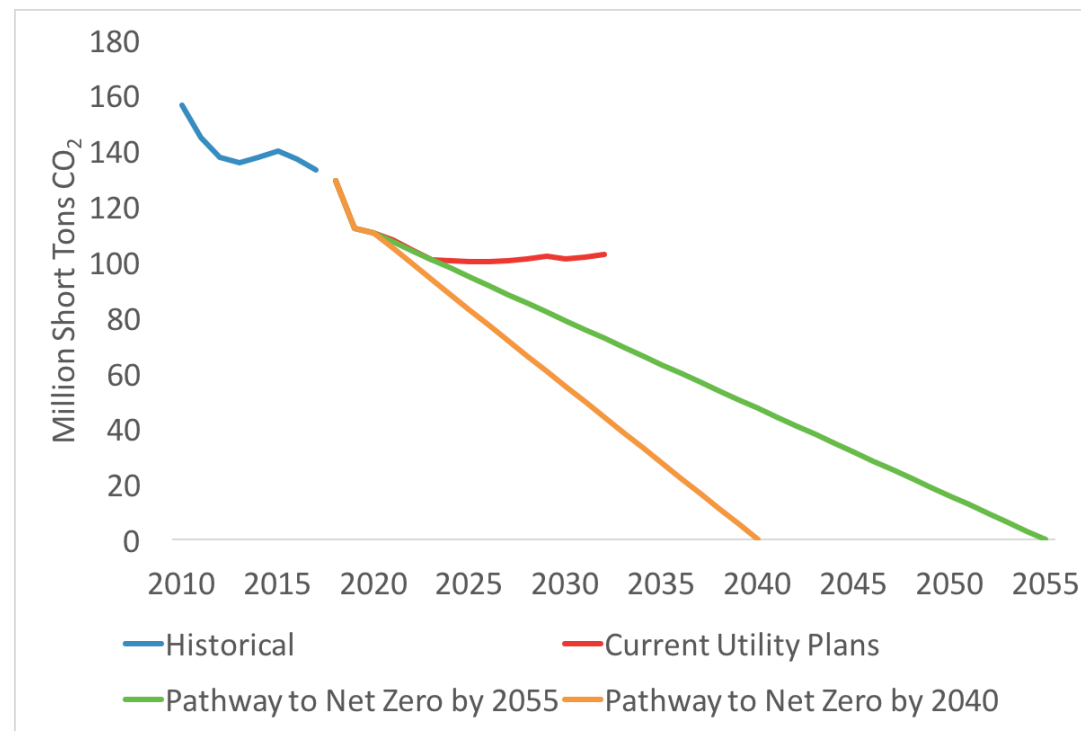
Florida does not have native gas supplies so \$ spent on gas means \$ sent out of state

¹ NextEra Energy June 2020 Investor Presentation, <http://www.investor.nexteraenergy.com/~//media/Files/N/NEE-IR/news-and-events/events-and-presentations/2020/6-2-2020/June%202020%20Investor%20Presentation%20vF.pdf>

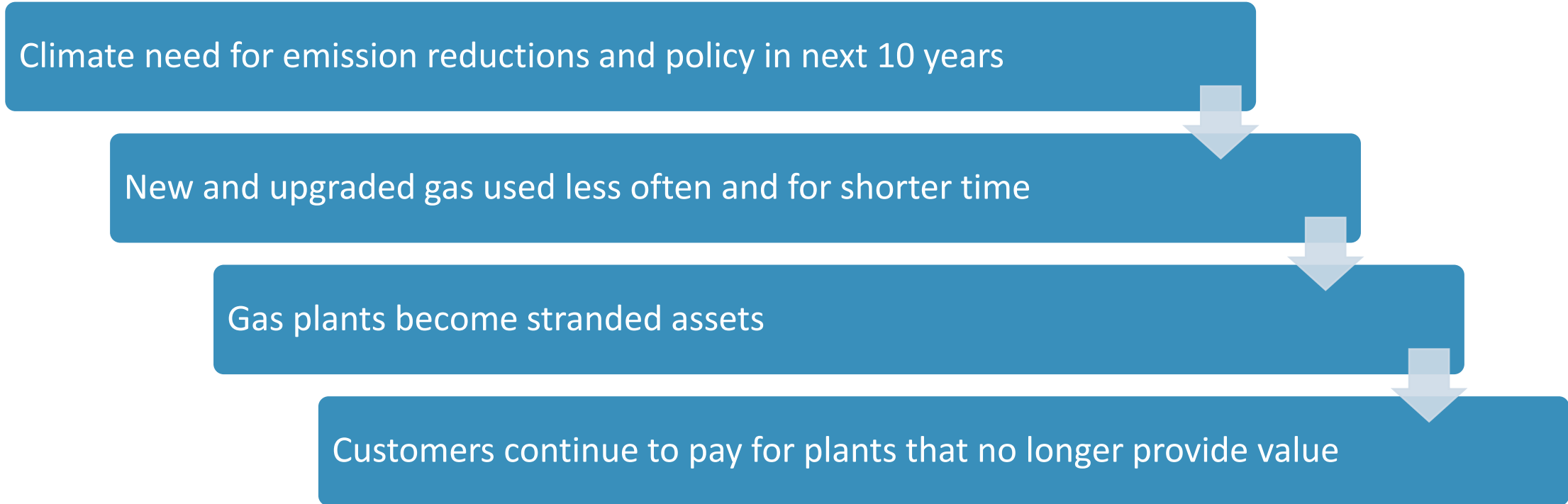
NEW GAS FLATLINES CO₂ EMISSIONS

- Further emission reductions cannot happen without both:
 - Retirement of existing fossil (coal and gas) plants
 - Replacement with zero emission sources like energy efficiency and solar
- Instead, 2020 TYSPs increase gas capacity through new plants and upgrades at existing plants
- Significant gas means state CO₂ emissions rate remains near that of a gas plant: ~750 lbs/MWh under the 2020 TYSPs

Florida utilities not on track to net zero CO₂ by 2040-2055



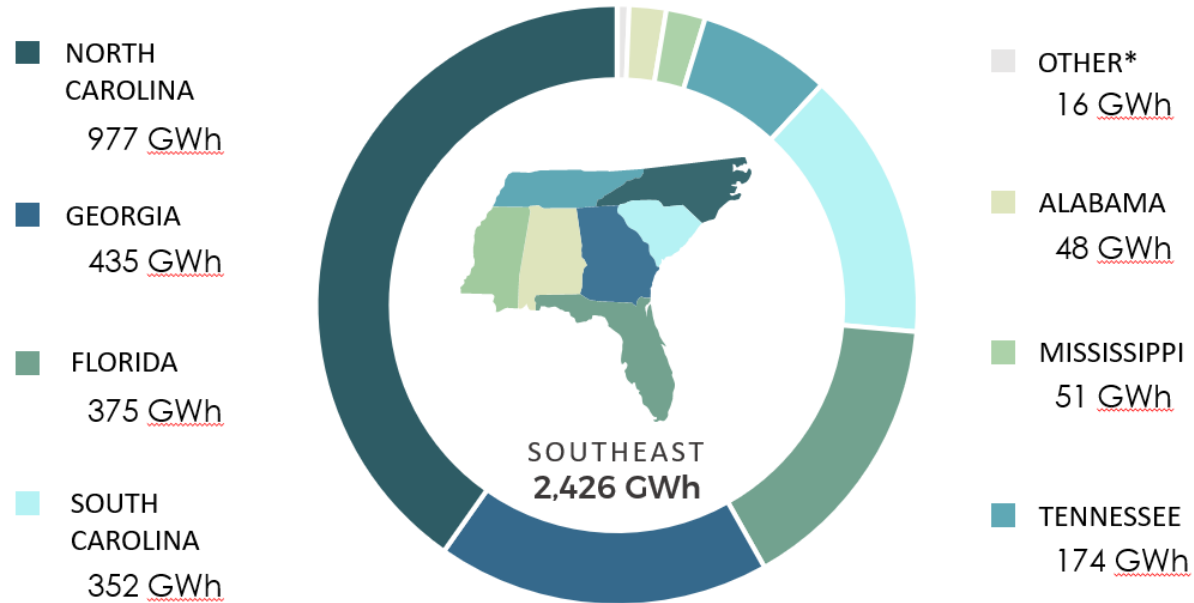
NEW GAS INCREASES STRANDED ASSET RISK



Since so many TYSP propose an expansion of gas reliance, utilities likely did not fully consider risk of new or upgraded gas plants becoming stranded assets in the future.

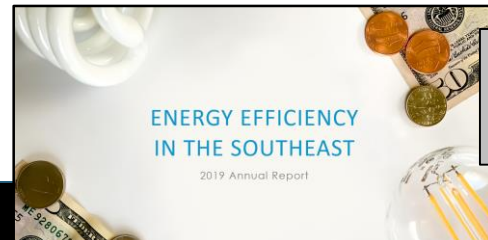
VAST UNTAPPED ENERGY EFFICIENCY

Energy Savings in 2018 by State



Florida: ~33% region's population; ~15% regional savings

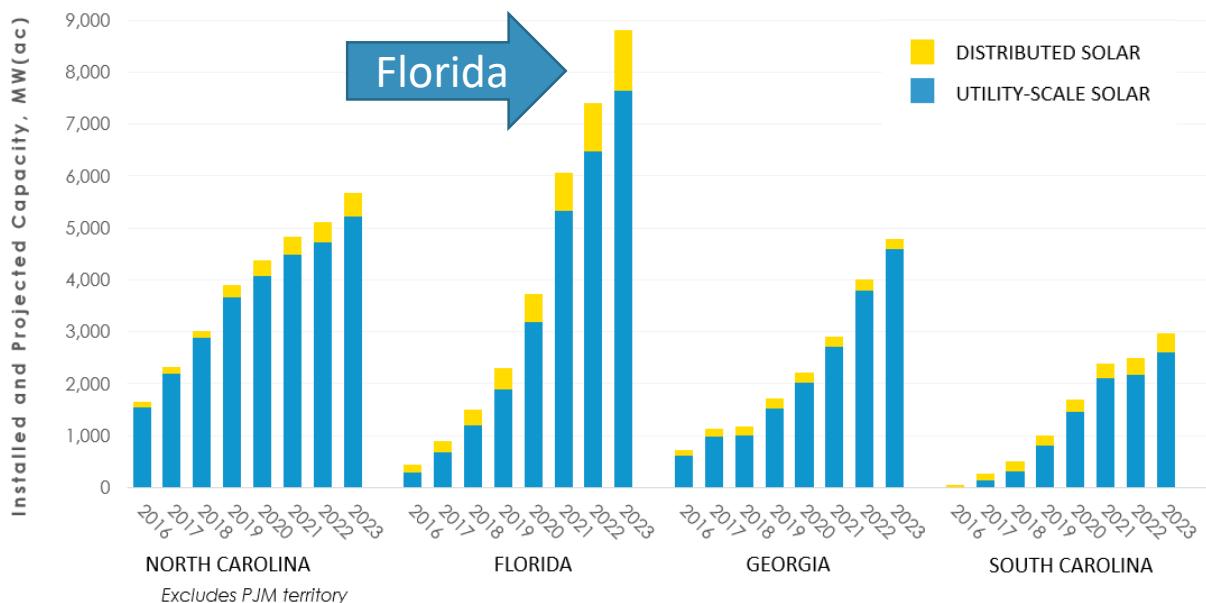
- In a robust resource planning process demand-side measure like EE compete directly with supply-side resources
- Instead Florida utilities limit the most cost-effective and proven EE measures through non-standard screening practices (Ratepayer Impact Measure test and 2-year screen) and feed FEECA results directly into resource planning
- Less energy savings → higher bills for Floridians



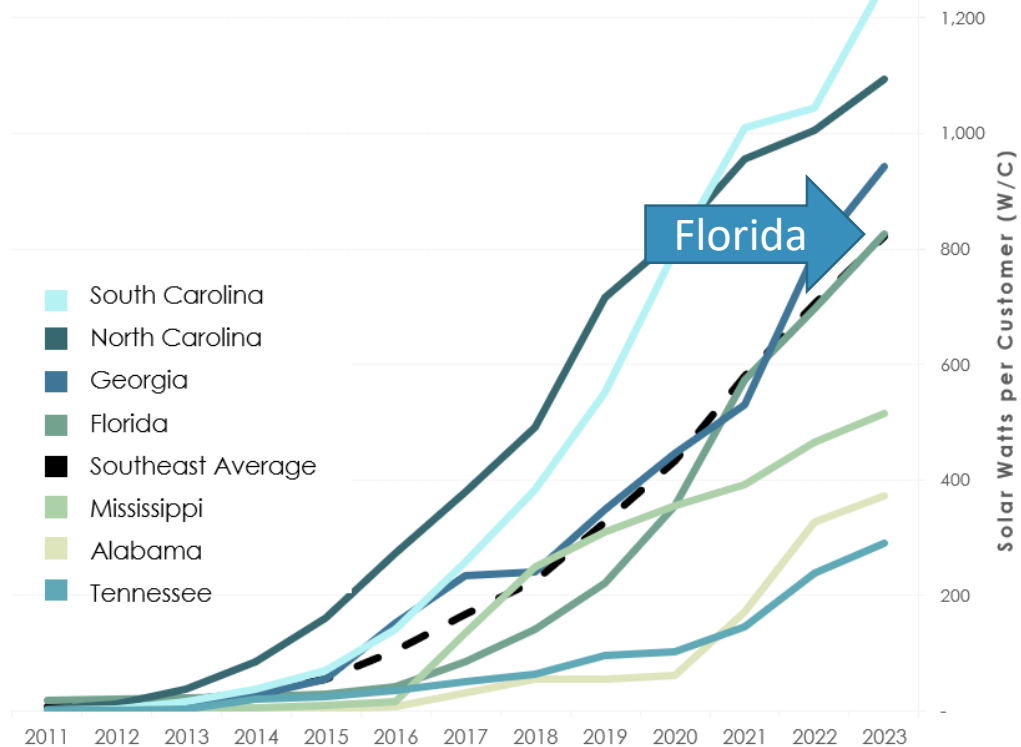
For more see SACE annual report:
Energy Efficiency in the Southeast

FLORIDA UTILITIES INCREASE SOLAR, COULD DO MORE

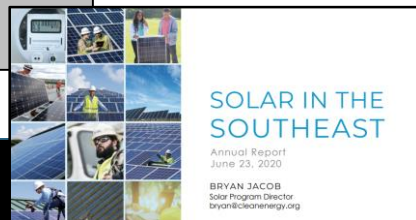
Installed solar capacity by state



Solar watts/customer by state



For more see SACE annual report:
Solar in the Southeast

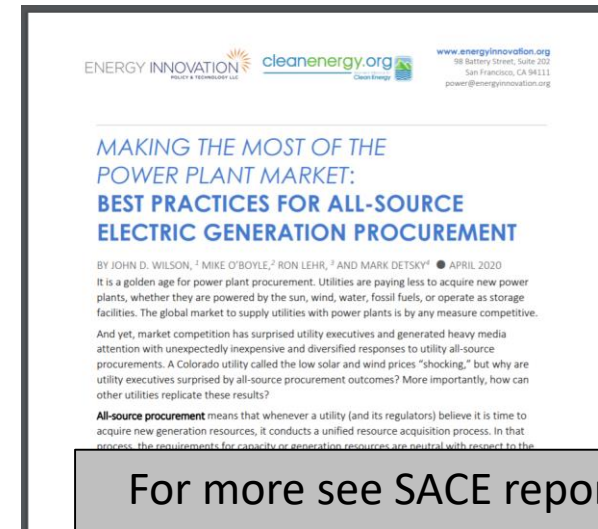


OPPORTUNITY FOR LOWER COSTS: ALL-SOURCE PROCUREMENT

All-Source Procurement is technology neutral and evens the playing field for resources to compete to serve customer load at the lowest possible cost

All-Source Procurement Best Practices

1. Use the resource planning process to determine the technology-neutral procurement need.
2. Require utilities to conduct a competitive, all-source procurement process, with robust bid evaluation.
3. Conduct advance review and approval of procurement assumptions and terms.
4. Renew procedures to ensure that utility ownership of generation is not at odds with competitive bidding.
5. Revisit rules for fairness, objectivity, and efficiency.



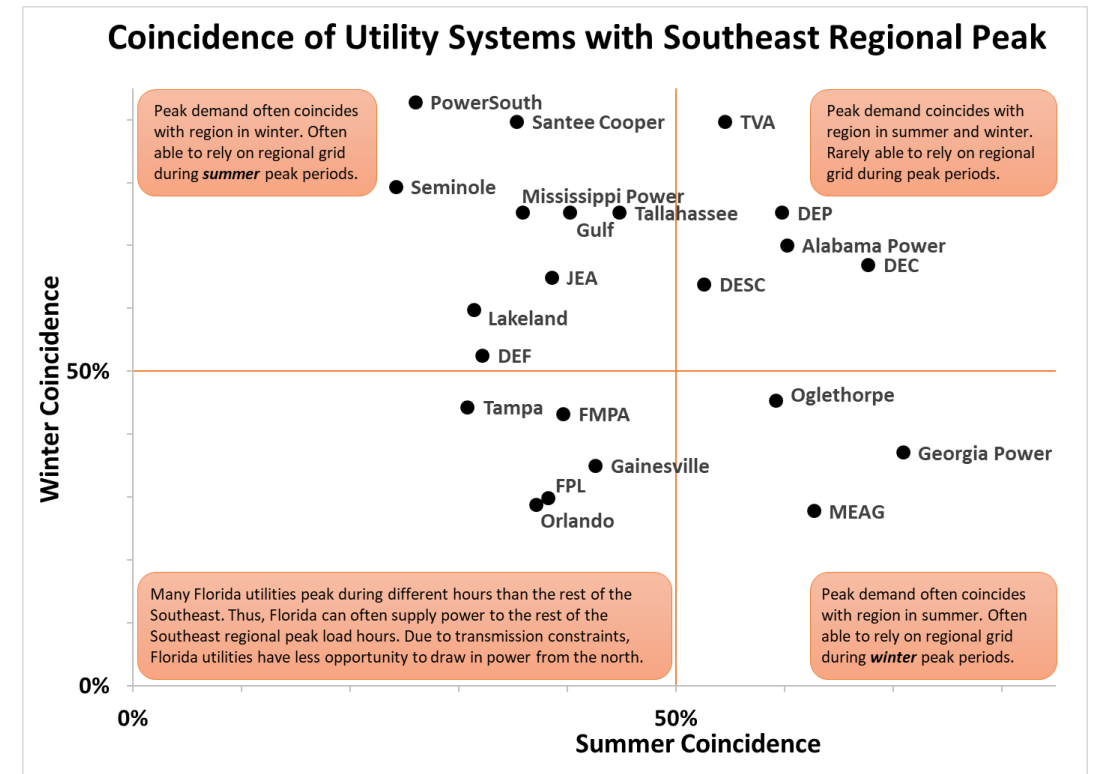
For more see SACE report on Best Practices for All-Source Procurement

OPPORTUNITY FOR LOWER COSTS: REGIONAL RESERVE MARGIN SHARING

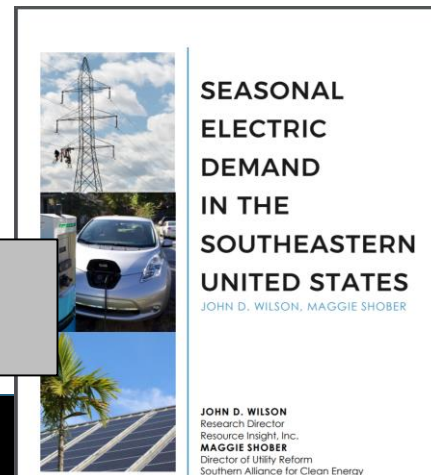
20 years of load data shows that utilities could share resources to meet peak loads instead of building redundant generation

- When utilities in Alabama, Tennessee, Georgia, and the Carolinas are peaking peninsular Florida utilities could sell them surplus power
- Conversely these Florida utilities could import power during peak events, as transmission constraints allow

Hourly Coincidence Rate of Southeastern Utilities with the Regional Peak, 1998-2016



For more see SACE report on demand in the Southeast



CONCLUSION AND RECOMMENDATION

- Florida's TYSP process is an outlier and a bad deal for customers
- The lack of transparency, stakeholder involvement, and resource competition has led to a future that increases Florida's reliance on gas instead of turning to clean, inexpensive resources
- Over-reliance on gas increases utility costs and customer bills, fails to address the climate crisis, and exposes customers to further costs through stranded assets
- To address these concerns, we recommend the Commission hold a workshop on resource planning methods

FURTHER READING

For more on these issues see SACE's [report library](#)



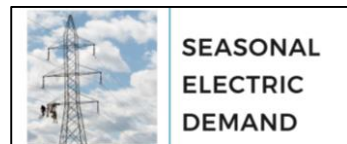
Energy Efficiency in the Southeast: bit.ly/SEEEReport2020



Solar in the Southeast: bit.ly/SeSolarReport2020



Best Practices for All-Source Electric Generation Procurement: bit.ly/AllSourceProcurementReport



Seasonal Electric Demand in the Southeastern United States: bit.ly/SeasonalLoadDemandReport

And coming soon: SACE's Decarbonization in the Southeast report, tracking utility and state emissions and emission goals