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BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION

In the Matter of:

DOCKET NO. 20200058-EG

Petition for approval of 2020 demand-side
management plan, by Orlando Utilities
Commission.

PROCEEDINGS: COMMISSION CONFERENCE AGENDA
ITEM NO. 5

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

DATE: Tuesday, May 5, 2020

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

2 CHAIRMAN CLARK: All right. Let's move to
3 Item No. 5.

4 Mr. Futrell.

5 MR. FUTRELL: Items 5 is the staff's
6 recommendation on the Orlando Utilities
7 Commission's 2020 demand-side management plan.

8 The plan consists of 16 programs equally split
9 between residential and commercial customers and
10 includes energy audits for each customer class. A
11 majority of the programs are retained from the
12 utility's 2015 DSM plan with update -- updated
13 rebates and savings to reflect change and economics
14 and efficiency levels. Many of the programs are
15 not cost-effective; however, OUC is a municipal
16 utility with its own governing board with authority
17 to set rates and determine cost recovery. This
18 commission has traditionally deferred to local
19 governments regarding decisions on whether to offer
20 customers non-cost-effective programs.

21 Staff has analyzed the plan and it is
22 projected to meet or exceed the annual goals
23 established by the Commission. Staff recommends
24 the Commission approve the plan.

25 Bradley Marshall with the Southern Alliance

1 for Clean Energy would like to address the
2 Commission. Representatives of OUC are available
3 to respond to comments and questions, and staff is
4 available as well.

5 CHAIRMAN CLARK: Thank you, Mr. Futrell.

6 Mr. Wright, I am going to let OUC make an
7 opening comment. We will follow that up by
8 Mr. Bradley's statement.

9 Mr. Wright, are you on the phone?

10 MR. WRIGHT: Yes, sir. Thank you very much.

11 I am happy to be here again representing the
12 Orlando Utilities Commission. I have brief opening
13 remarks, and I appreciate your giving me the
14 opportunity to respond to SACE's comments.

15 We are here before you today to DSM plan for
16 an action on our DSM plan for 2020 to 2024,
17 pursuant to FEECA and pursuant to your Order
18 2019-0509 issued last November.

19 FEECA requires that the Commission adopt
20 appropriate goals for reducing and controlling the
21 growth rates of peak demand and energy consumption
22 and to promote renewable energy. The Commission
23 correctly decided last year that our reducing
24 efforts are sufficient to promote renewable energy
25 without additional customer support and funding for

1 solar or other renewable.

2 We genuinely appreciate the staff's
3 recommendation to approve our 2020 DSM plan,
4 because our plan exceeds the goals established by
5 your order and, therefore, complies with FEECA. In
6 fact, as shown in the tables contained within the
7 staff recommendation, our plan will significantly
8 exceed the goals you set for OUC both for
9 residential and for commercial/industrial
10 conservation programs for every year of the goal's
11 period.

12 Our plan will achieve residential peak demand
13 savings of two to four times the goals; residential
14 energy savings of one-and-a-half to more than two
15 times the goals; commercial/industrial demand
16 savings of about 1.7 to about 3.5 times the goals;
17 and commercial/industrial energy savings of eight
18 and nine times the goals.

19 The staff have it right. OUC's plan fully
20 complies with both your order and with FEECA.
21 OUC's plan fully complies with both your order and
22 with FEECA. OUC supports the staff recommendation
23 and respectfully asks you to approve it.

24 I am happy to answer any questions from the
25 Commissioners, and I look forward to the

1 opportunity to respond.

2 Thanks very much.

3 CHAIRMAN CLARK: Thank you, Mr. Wright.

4 Mr. Marshall, are you on the phone?

5 MR. MARSHALL: I am. Thank you.

6 CHAIRMAN CLARK: You are recognized.

7 MR. MARSHALL: Thank you.

8 Bradley Marshall on behalf of the Southern
9 Alliance for Clean Energy with some brief comments.
10 Thank you for the opportunity to address you today.

11 SACE is a nonprofit clean energy organization
12 that advocates for lower cost at a lower risk clean
13 energy future. Energy efficiency is a key
14 component for lowering electricity bills,
15 especially low income energy savings programs.
16 That's why SACE participated last year in the goal
17 setting docket to push for higher goals, and
18 specifically to push for goals for low income
19 communities.

20 This Commission has previously stated that DSM
21 program plans should have a focus on addressing the
22 critical needs of low income customers, for
23 instance, in its 2015 goals orders. The plan put
24 for before you by OUC for approval today, while
25 projecting to meet the overall goal, they also meet

1 the needs of its low income customers, and here's
2 why:

3 OUC has the highest low income population as
4 proportion of any of the FEECA utilities, but it
5 has the weakest of all low income programs,
6 projected to reach less than one percent of its
7 eligible customers over the next five years.

8 OUC has about 73,000 families earning at or
9 below \$35,000 per year, yet it's proposing to reach
10 a mere 73 customers per year with its low program
11 efficiency delivered. And it's doubtful that the
12 utility will even reach that number given that it
13 had only six participants in the same program in
14 2018.

15 There are other flaws in the program too.
16 First, it's limited to single family homes, even
17 though most of OUC's customers live in multifamily
18 units. And, two, OUC customers must pay into the
19 program to participate. OUC has the distinction of
20 being the only utility to have this feature.

21 This program is not what the Commission
22 intended when it stated its desire that the
23 critical needs of low income customers be met in
24 program plans.

25 The program is particularly surprising dealing

1 that the City of Orlando has committed itself to
2 clean energy and becoming the most sustainable city
3 in the southeast.

4 There are better models out there for OUC to
5 follow. For instance, TECO reaches almost six
6 percent of their low income customers per year,
7 while delivering significantly higher energy
8 savings. Duke's plans delivery much more energy
9 savings to their low income customers, too. These
10 are the models OUC should be looking to when
11 designing their low income program.

12 Given all of these issues, OUC needs to go
13 back to the drawing board on its low income
14 program, and SACE asks the Commission to urge OUC
15 to do better for their low income customers.

16 Thank you, and we will, of course, be on the
17 line to answer any questions you have.

18 CHAIRMAN CLARK: Thank you, Mr. Marshall.

19 Mr. Wright, any follow-up comment?

20 MR. WRIGHT: Yes. Yes, sir. Thank you, Mr.
21 Chairman.

22 Again, we should remember that we are here on
23 whether to approve our plan as being in compliance
24 with your order and with FEECA. It does. SACE
25 does not even try to assert otherwise, and you

1 should, accordingly, approve our plan.

2 SACE's criticisms of our plan -- sorry, I was
3 getting some feed back -- SACE's criticisms are
4 largely incomplete and -- their arguments are based
5 on the mischaracterization of our energy -- of our
6 efficiency delivered program as being only low
7 programs targeting low income customers.

8 It is true that efficiency delivery explicitly
9 targets low income customers because customers are
10 limited in their household incomes in order to
11 qualify for generous subsidies provide through the
12 efficiency delivery program, but OUC serves low
13 income customers through pretty much all of our
14 residential program and additional programs and
15 outreach efforts that are not part of our formal
16 DSM plan.

17 By the way, SACE's criticism that customers
18 have to pay to participate in our efficiency
19 delivered program is contrived and specious. Our
20 experience shows that customers who get \$2,000 with
21 efficiency improvements by paying only \$25 a month
22 for one year interest free to finance their
23 15 percent share of the total cost saves more than
24 the \$25 a month that it costs them starting on day
25 one after -- after measures are installed.

1 In fact, beyond efficiency delivered, OUC is
2 continuing our multifamily efficiency program,
3 which we described at length in our testimony in
4 the goals hearing. We are continuing the program
5 simply not as part of our formal DSM plan.

6 Where SACE argues in their comments that we
7 should include many measures in our supposedly
8 designated low income program like Tampa Electric
9 does, we respond as follows:

10 We provide virtually all of the same measures
11 through different programs and through different
12 outreach efforts and activities. In fact, OUC has
13 targeted specific programs to address the unique
14 situation of renters, which we have a lot of,
15 mainly the fact that their landlords control what
16 can be done on rental property. These include our
17 multifamily efficiency program, the New Horizons
18 apartment complex refurbishment, which we described
19 in our testimony last year, and OUC's partnership
20 and support with the Central Florida Housing Trust
21 of efficiency improvements for measures and other
22 low income customers.

23 The New Horizons complex and our work with the
24 Central Florida Building Trust are targeted to the
25 OUC empowerment zone, which is the most

1 economically disadvantaged ZIP Code in OUC's
2 territory.

3 Our over all of energy efficiency
4 achievements, we have committed to 100 percent
5 energy savings this year. SACE's own data showed
6 in 2017 we were about four times the state average
7 in energy savings. We are committed to net zero
8 cash emissions by 2050. We are committed to 270
9 plus megawatts of new solar by 2025, and we are
10 committed to major investments in electrification
11 for transportation and in hydrogen and battery
12 storage.

13 Having said all this, OUC welcomes SACE and
14 any other organization to the table for a
15 constructive dialogue in how to achieve additional
16 energy savings more cost-effectively and how to
17 better serve all of our customers, including low
18 income customers.

19 OUC's door is open. OUC supports the staff's
20 recommendation and we, again, respect-ly ask that
21 you approve it.

22 Thank you very much.

23 CHAIRMAN CLARK: Thank you, Mr. Wright.

24 I will open the floor to Commissioners for
25 discussion and questions now. Any questions?

1 Commissioner Fay? I saw your light went on.

2 COMMISSIONER FAY: Thank you, Mr. Chairman. I
3 just have two quick questions for staff.

4 Issue 2 on this item talks about closing the
5 docket and the process that we would go through to
6 do that, and more specifically if there is a
7 protest to the decision that is made today. Can
8 staff just clarify when that docket would be
9 closed?

10 CHAIRMAN CLARK: Mr. Futrell.

11 MR. FUTRELL: Perhaps if Ms. Passidomo or
12 Ms. Tan could answer that question.

13 CHAIRMAN CLARK: Ms. Passidomo, are you on the
14 line?

15 MS. PASSIDOMO: I am.

16 CHAIRMAN CLARK: Did you hear Commissioner
17 Fay's question?

18 MS. PASSIDOMO: Can you hear me?

19 CHAIRMAN CLARK: Yes, we can hear you now.

20 MS. PASSIDOMO: Yes. So after the staff
21 reviews the submission, it would be closed then, so
22 they have the ability to review it. This is
23 something that I think Phillip addressed yesterday.
24 I don't know if he is on the line as well.

25 MR. ELLIS: This is Phillip Ellis.

1 CHAIRMAN CLARK: Mr. Ellis.

2 MS. PASSIDOMO: Yes, he might be able to
3 explain the process a little bit better.

4 MR. ELLIS: It's my understanding if the
5 Commission approves staff's recommendation, after
6 the PAA order and then the consummating order, the
7 program standard can be filed by OUC with the
8 specifics of the, you know, step-by-step of how
9 programs would be accomplished.

10 Staff, per the APM have, and per the
11 Commission's vote, would have administrative
12 authority to approve those modification -- approve
13 those plans. If there is any mediation from --

14 CHAIRMAN CLARK: One second, Mr. Ellis, we are
15 having some -- we are having some interference,
16 somebody's line is unmuted. We remind everyone
17 please mute your line.

18 Feel free to drop that caller.

19 Proceed, Mr. Ellis.

20 MR. ELLIS: If there is any variation from the
21 DSM plan as approved by the Commission, staff would
22 come back to the Commission for those items; but if
23 everything matches the Commission's order, staff
24 would administratively close the docket at that
25 time.

1 COMMISSIONER FAY: Okay. Great. Thank you.

2 And just to clarify, so I understand what we
3 are doing under 366.80 and the FEECA process, but I
4 guess by doing that, even if they are -- even once
5 the Commission receives those plans and we have
6 closed the docket, none of that prohibits the
7 municipality from moving forward with additional
8 conservation plans, correct?

9 MR. ELLIS: This is Phillip Ellis again. That
10 is correct. In fact, I believe as far back as
11 1995, the Commission has recognized that municipals
12 and cooperatives could engage in programs outside
13 of the FEECA DSM plan at their preference.

14 COMMISSIONER FAY: Okay. Great. Thank you.

15 And I, like, support the item, but I will let
16 any other Commissioners --

17 CHAIRMAN CLARK: Thank you, Commissioner Fay.
18 Commissioner Brown.

19 COMMISSIONER BROWN: Thank you, Mr. Chairman.

20 Thank you Andrew for -- Commissioner Fay for
21 pointing that out as well. Obviously, it's
22 important to emphasize that OUC is in a
23 municipality with a local governing board and,
24 therefore, as our staff recommendation has stated
25 and the summary stated, the Commission should be

1 given -- to give them wide latitude for making
2 their own decisions regarding community investment
3 and energy efficiency. That being said, I
4 understand SACE's concern.

5 So one thing I do just want to note that OUC
6 has traditionally been a municipality that has been
7 exemplary, and not just with renewable deployment,
8 but energy efficiency initiatives, including carbon
9 emissions reduction over the years.

10 And I do want to state that while the concern
11 that I think that was raised that actually my
12 interest was with regard to OUC low income program
13 regarding being limited to single family homes. So
14 I did want to ask Mr. Wright just a question. You
15 went over some of the different -- again, giving
16 the OUC wide latitude, I just want to hear from
17 you, though, what multifamily initiatives, again,
18 just for the record, that are going to be
19 addressed. I know that SACE has an issue with the
20 low income program currently in place, but can you
21 talk about the single family homes versus
22 multifamily homes as it pertains to low income?

23 CHAIRMAN CLARK: Mr. Wright, can you hear?

24 COMMISSIONER BROWN: He did that on purpose.

25 CHAIRMAN CLARK: Mr. Wright, are you

1 available?

2 MR. WRIGHT: I am. I am. And I have been
3 unmuted for at least a minute here. Thank you for
4 the question.

5 The efficiency delivered program is available
6 only to single family residences. Now, it could be
7 application rental. It could be -- it could be a
8 customer-owned property. The problem we have with
9 rentals, again, is that they depend on the landlord
10 cooperation in -- in order to implement them, and
11 renters frequently have a fairly short time horizon
12 and don't -- don't want to spend money if they
13 don't know that they are going to be in their place
14 for six months or a year.

15 The multifamily program offers a whole lot of
16 energy efficiency improvement relate program to
17 multifamily dwellings through cooperation with the
18 landlord. We have energy services. We have energy
19 audits, duct repair, high performance windows,
20 attic insulation, solar, lighting, reflective
21 roofing, heat pumps and more through the
22 multifamily program. We offer a whole -- a whole
23 lot of things through multifamily, but the real
24 point is that -- that to reach rental properties,
25 we have the multifamily program so that we can get

1 that done.

2 COMMISSIONER BROWN: Thank you, Mr. Wright,
3 for clarifying all of that.

4 And again, as I emphasized, I support the
5 staff recommendation, but giving the local
6 governing board that authority to approve or not
7 approve those recommendations is completely within
8 their discretion, but I do appreciate it and thank
9 you for your participation.

10 CHAIRMAN CLARK: Thank you, Commissioner
11 Brown.

12 Any other Commissioners have any questions or
13 comments?

14 If not, I will entertain a motion, Mr. Graham.

15 COMMISSIONER GRAHAM: Mr. Chairman, I move
16 staff recommendation on both issues on this item.

17 CHAIRMAN CLARK: Do I have a second?

18 COMMISSIONER FAY: I'll second.

19 CHAIRMAN CLARK: I have a motion and a second
20 to approve staff recommendation on all items.

21 Any discussion?

22 On your vote, Commissioner Graham?

23 COMMISSIONER GRAHAM: Aye.

24 CHAIRMAN CLARK: Commissioner Polmann?

25 COMMISSIONER POLMANN: Aye.

1 CHAIRMAN CLARK: Commissioner Brown?

2 COMMISSIONER BROWN: Aye.

3 CHAIRMAN CLARK: Commissioner Fay?

4 COMMISSIONER FAY: Aye.

5 CHAIRMAN CLARK: And the item is approved.

6 (Agenda item concluded.)

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CERTIFICATE OF REPORTER

STATE OF FLORIDA)
COUNTY OF LEON)

I, DEBRA KRICK, Court Reporter, do hereby certify that the foregoing proceeding was heard at the time and place herein stated.

IT IS FURTHER CERTIFIED that I stenographically reported the said proceedings; that the same has been transcribed under my direct supervision; and that this transcript constitutes a true transcription of my notes of said proceedings.

I FURTHER CERTIFY that I am not a relative, employee, attorney or counsel of any of the parties, nor am I a relative or employee of any of the parties' attorney or counsel connected with the action, nor am I financially interested in the action.

DATED this 15th day of May, 2020.



DEBRA R. KRICK
NOTARY PUBLIC
COMMISSION #GG015952
EXPIRES JULY 27, 2020