

Antonia Hover

From: Antonia Hover on behalf of Records Clerk
Sent: Thursday, December 2, 2021 4:44 PM
To: 'katie@votesolar.org'
Cc: Consumer Contact
Subject: FW: Comment letter in Docket 20210001-EI on FPL mid-course correction
Attachments: Comments to PSC on FPL mid-course correction, Docket 20210001-EI.pdf

Good Afternoon, Ms. Ottenweller.

We will be placing your comments below in consumer correspondence in Docket No. 20210001, and forwarding them to the Office of Consumer Assistance and Outreach.

Thank you!

Toni Hover

*Commission Deputy Clerk I
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399
Phone: (850) 413-6467*

From: Katie Chiles Ottenweller <katie@votesolar.org>
Sent: Thursday, December 2, 2021 4:28 PM
To: Records Clerk <CLERK@PSC.STATE.FL.US>
Cc: mackin@ceres.org; Suzanne Brownless <SBrownle@PSC.STATE.FL.US>; Mark Futrell <MFutrell@PSC.STATE.FL.US>
Subject: Comment letter in Docket 20210001-EI on FPL mid-course correction

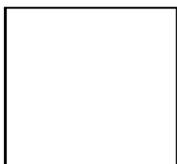
Good afternoon,

Please see the attached comments to the PSC from Vote Solar and Ceres related to FPL's mid-course correction filing in Docket No. 20210001-EI.

I will be at Tuesday's meeting in person, and would appreciate the chance to make brief comments on this issue.

Please let me know if you have any questions.

Best,
Katie Chiles Ottenweller



Katie Chiles Ottenweller | Southeast Director

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Vote Solar
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December 2, 2021

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

RE: Docket 20210001-EI, Comments to Florida PSC on FPL Mid-Course Correction

Dear Chairman Clark and Members of the Florida Public Service Commission:

Vote Solar¹ and the Ceres Energy Optimization Workgroup² appreciate the opportunity to provide these comments on Florida Power and Light's ("FPL" or "Company") request to recover an additional \$810 million from customers next year through an increase to its Fuel and Purchased Power Cost Recovery ("FCR") Clause.

The Company's requested increase points to the rise in natural gas prices and the natural gas forward curve, with FPL estimating the average cost of natural gas to be \$5.81 per million British thermal units ("MMBtu") in 2022.³ This is consistent with the findings of the U.S. Energy Information Administration ("EIA"), which reported in its Winter Fuels Outlook that Henry Hub natural gas spot prices were already at \$5.61 per MMBtu on October 1st, which represents

¹ Vote Solar is a non-profit policy advocacy organization with the mission of making solar more accessible and affordable across the United States. Vote Solar has over 35,000 members across Florida.

² Ceres is a national sustainability nonprofit working with the country's most influential investors and companies to build a more sustainable economy. As part of this work, Ceres runs the BICEP Network, a coalition of nearly 70 major employers, large electricity customers, leading consumer brands, and Fortune 500s, including many with operations, facilities, and business interests in Florida. In addition, Ceres operates an Energy Optimization Workgroup, a coalition of more than two dozen companies focused on enhancing opportunities for energy efficiency investment at the state and local levels to reduce costs, create jobs, drive innovation, strengthen the economy, and build healthier communities.

³ FFPL, FPL Mid-Course Correction, November 9, 2021, at Page 4

a 84% increase over last winter's average.⁴ Notably, in its SolarTogether application, the Company anticipated that gas prices would not reach this level until 2042.⁵

The increased cost of natural gas is an important reminder that the Commission should consider all tools at its disposal to mitigate this significant proposed increase to customer utility bills. Greater investment in reliable, affordable energy efficiency and renewable energy are key solutions to insulate customers from this price shock and volatility. During times of upward utility bill pressure, FPL's energy efficiency offerings are especially vital because they can help residents and businesses control their energy costs, drive down energy bills, and redirect savings to the local economy.

The Commission has broad authority under the *Florida Energy Efficiency and Conservation Act* ("FEECA") to modify energy-saving programs "at any time it is in the public interest."⁶ Accordingly, we recommend that the proposed \$810 million increase be mitigated through the increased deployment of energy efficiency offerings that cost less than \$5.81 per MMBtu, or ~\$0.04/kWh.⁷ Energy efficiency is well documented to cost less than this amount;⁸ and if FPL can deliver additional energy savings below the high price of gas in 2022, it should do so for the benefit of its customers.

There are many compelling examples of energy saving programs from around the country that have demonstrated the ability to deliver savings at far less than ~\$0.04/kWh. For example, in 2020, Arizona Public Service Company's Existing Homes Program delivered savings for \$0.01977/lifetime kWh.⁹ Through this program, participating homeowners benefit from a whole suite of efficiency offerings including smart thermostats, duct sealing and repair,

⁴ U.S. Energy Information Administration, Winter Fuels Outlook, October 2021, https://www.eia.gov/outlooks/steo/special/winter/2021_Winter_Fuels.pdf

⁵ FPSC Docket No. 20190061, FPL Fuel Price Forecast, Exhibit JE-2, at Page 1

⁶ Specifically, Florida Statutes § 366.82(7) states that "[t]he commission may require modifications or additions to a utility's plans and programs at any time it is in the public interest consistent with this act."

⁷ Assumes a power plant heat rate of ~8,000 Btu/kWh.

⁸ According to the American Council for an Energy Efficiency Economy (ACEEE) the average levelized cost per saved kilowatt-hour is 2.4 cents, putting efficiency on par with the cheapest sources of clean energy available on the grid today. See ACEEE, *The Cost of Saving Electricity for the Largest U.S. Utilities: Ratepayer-Funded Efficiency Programs in 2018*, June 23, 2021, <https://www.aceee.org/topic-brief/2021/06/cost-saving-electricity-largest-us-utilities-ratepayer-funded-efficiency>

⁹ Arizona Public Service Company, 2020 Annual Demand Side Management Report. Note: Energy efficiency investments typically deliver savings for more than one year; thus the per lifetime kWh metric is the appropriate point of comparison. To mitigate the upfront cost of efficiency programs, some jurisdictions book energy efficiency program costs as a regulatory asset and amortize them over a set period (e.g. seven years).

HVAC upgrades, insulation, and more. FPL has similar offerings that are ripe for expansion.¹⁰ For example, in 2020, FPL's Business Lighting program delivered 19,467,689 kWhs of savings¹¹ at a cost of \$0.021/annual kWh.¹²

Therefore, as a component of its decision in this proceeding, we recommend that the Commission approve FPL's petition contingent upon the following:

- 1) FPL submit a compliance filing within 60 days describing how it will increase its 2022 investment in each existing demand side management ("DSM") program that delivers savings at ~\$0.04/lifetime kWh or less and through new proposed programs that have demonstrated to deliver savings at ~\$0.04/lifetime kWh or less in other comparable jurisdictions.
- 2) At a minimum, this increased investment should be no less than \$20 million.¹³
- 3) In the development of this filing, the utility shall adequately consult with stakeholders, including but not limited to, entities representing low income, residential, and business customers; local governments; and clean energy interests.
- 4) Any savings achieved through increased investment in 2022 shall be eligible to count toward the Commission's authorized FEECA goals for the utility.
- 5) As a component of its filing, and in consultation with stakeholders, FPL may propose a performance incentive tied to the successful deployment of its proposed program expansion based on the energy savings it delivers.

We appreciate your consideration of these comments, and your ongoing efforts to protect Florida consumers.

Sincerely,

Katie Chiles Ottenweller
Southeast Director
Vote Solar
katie@votesolar.org

Mel Mackin
Ceres Energy Optimization Workgroup
Ceres
mackin@ceres.org

¹⁰ See: <https://www.fpl.com/save/programs.html>

¹¹ These savings are at the generator level. See Florida Power & Light Company and Gulf Power Company's 2020 DSM Annual Report.

¹² Ibid. Lifetime savings were not reported by the utility in its DSM report.

¹³ This recommendation represents a 20% increase in FPL's DSM investment relative to 2020 levels.