

SEEA Policy Highlights

April - June 2017

State, Local and Utility Policy Highlights



SEEA's Policy Highlights provide stakeholders with brief, timely and relevant information on energy efficiency and related topics throughout the Southeast. For more information or to provide input, contact Kate Lee, Policy Manager at klee@seealliance.org.

Alabama

- **Rate Design:** On June 8, 2017, the Alabama Public Service Commission [approved](#) two pilot rate schedules: Rate RMC (Residential My Choice) and Rate RMCP (Residential My Choice Plus) for Alabama Power. Under the Rate RMC program, Alabama Power will collect a monthly fixed charge of \$60 (compared to a \$14.50 fixed charge under the standard residential rate) and a 5.6 cents per kWh energy charge. Under the Rate RMCP program, the fixed charge is \$38, the energy charge is 3.8 cents per kWh, and the RMCP program also incorporates a peak period demand charge of \$8.50/kW. Both programs will be offered to randomly chosen residential customers and participation is voluntary. The pilot rate programs will go into effect for a 12-month period ending no later than December 2018. *Docket No. U-5224*

Arkansas

- **Energy Efficiency Resource Standards:** The Arkansas Public Service Commission (Commission) opened Docket No. 13-002-U in January 2013 to extend Arkansas' energy efficiency targets beyond 2016 into 2017-2019. In December 2015, the Commission ordered electric utilities to meet savings targets of 0.9% (of 2015 retail sales) for 2017 and 2018 and 1% for 2019. Natural gas utilities are subject to a 0.5% savings target for 2017 to 2019. Utilities in Arkansas recover costs for their efficiency programs through an energy efficiency cost recovery (EECR) rider. On May 12, 2017, the Commission issued a [procedural schedule](#) for the Commission's consideration of the utilities' 2017 EECR filings and their 2016 energy efficiency annual reports. *Docket No. 13-002-U*
- **Rate Design:** In August 2016, Oklahoma Gas & Electric (OG&E) filed a general rate case requesting a \$16.5 million annual revenue increase, an 18% (or \$15.28) increase in the average residential customer's monthly bill, a 10.25% authorized return on equity (ROE), and a default three-part rate for residential customers with a 49% increase in the monthly fixed charge and a mandatory \$1 per kW demand charge. On April 20, 2017, OG&E, the Office of the Arkansas Attorney General, Walmart, Arkansas River Valley Energy Consumers, and the Arkansas PSC Staff reached a settlement agreement that would allow a \$7.1 million annual revenue increase, a 9.5% authorized ROE, and a 23% increase in the residential fixed charge. The Commission [approved](#) this settlement agreement on May 18, 2017. *Docket No. 16-052-U*

Florida

- **Solar Legislation:** On June 16, 2017, Florida Governor Rick Scott [signed into law](#) Senate Bill 90 (SB0), a bill that extended property tax exemptions for renewable energy installations on both commercial and residential properties. The legislation implements Amendment 4, a ballot initiative overwhelmingly passed by Florida voters in August 2016. Under SB90, approximately 80% of the assessed value of a renewable energy source device (including solar, wind, and geothermal) will be exempt from ad valorem taxation. The bill will go into effect on July 1, 2017.
- **Public Service Commission Changes:** According to a [report](#) from the Tampa Bay Times, Governor Rick Scott may be considering appointing Public Service Commissioner Jimmy Patronis to be Florida's next chief financial officer. Current CFO Jeff Atwater is set to resign on June 30th, after which the governor has 15 days to fill the position.

Georgia

- **Integrated Resource Planning:** In preparation for Georgia Power's 2019 Integrated Resource Plan (IRP), the Georgia Power Demand Side Management Working Group (DSMWG) held its latest meeting on June 8. The DSMWG will meet approximately quarterly for 18 months to allow stakeholders to provide input into the energy efficiency programs that Georgia Power will include in their 2019 IRP. The DSMWG is a stakeholder forum ordered by the PSC and includes representatives from Georgia Power, the Georgia Public Service Commission staff, utility customers, and other interested parties. Key issues will include the development of a Technical Reference Manual, the development of pilot programs and the provision of whole building energy data.
- **Low-Income Energy Efficiency Programs:** In February 2017 Georgia Power filed a targeted low-income energy efficiency program; the PSC approved the program in March, and Georgia Power subsequently issued an RFP to secure one or more vendors to implement the program. Georgia Power is currently in the process of reviewing responses to the RFP.
- **Solar Legislation:** On April 17th, Governor Nathan Deal signed [HB 238](#), a bill that allows people to install solar panels on land protected for farming or conservation without paying a fee for breaking their covenant. The bill will affect approximately [18 million acres](#) of property in Georgia.
- **Local Renewable Energy Policies:** On May 1, the Atlanta City Council [unanimously approved](#) a resolution committing the city to run entirely on renewable energy sources by 2035. Based on conversations with city officials, energy efficiency may comprise up to 50% of this goal.

Louisiana

- **Utility Energy Efficiency Program Rules:** In response to a [request for comments](#) earlier this year, SEEA and ACEEE jointly submitted [comments](#) regarding Phase II of Louisiana's energy efficiency programs. On May 24, 2017, the LPSC issued a [second request for comments](#) which cited portions of SEEA and ACEEE's input, demonstrating that our comments have shaped the conversation. SEEA plans to submit joint comments with ACEEE by June 20th. In addition, on April 13, 2017, the Commission issued an [order](#) directing that 50% of participating utilities' annual program

budgets be allocated to EE programs for which eligibility is limited to applicable governmental entities. SEEA is working with the LPSC staff to seek clarification on provisions of this guidance. *Docket No. R-31106*

- **Rate Design:** Earlier this year, LA PSC Chairman Scott Angelle opened a [conversation](#) about the future of electric rates in Louisiana, based on a review of the utilities previously filed Integrated Resource Plans. In a series of Technical Conferences this summer, Chairman Angelle invited utilities and other stakeholders to present information so that the Commission would have options to achieve its goal of providing reliable electric service at the least reasonable cost. The first Technical Conference was held on May 11, 2017 in Baton Rouge; the next ones are scheduled for July 7 and August 25. *Docket No. S-34426*
- **Public Service Commission Changes:** On May 23, 2017, Chairman Scott Angelle [announced](#) his resignation from the Louisiana Public Service Commission. On June 1, Governor John Bel Edwards [appointed](#) Damon Baldone to replace him; Baldone will serve until a special election is held.

Kentucky

- **Utility Energy Efficiency Portfolio Costs:** In February, the Kentucky Public Service Commission announced that it was opening a [docket](#) to re-evaluate the value and cost-effectiveness of Kentucky Power's energy efficiency and demand-side management programs. The re-evaluation was prompted by the Commission's concerns over recent increases in the utility's monthly DSM surcharge, which is assessed on customer bills. Sierra Club and Kentuckians for the Commonwealth both intervened in the proceeding, and the Commission denied Walmart's motion to intervene. Most recently, Kentucky Power submitted responses to Sierra Club's requests for information. *Docket No. 2017-00097*

Mississippi

- **Utility Energy Efficiency Rules:** The Mississippi Public Service Commission continues to make progress towards finalizing comprehensive energy efficiency rules on or before September 30, 2017. As part of this process, the PSC has issued a [request for comments](#) to gather public input on a variety of issues associated with the energy efficiency rules. Comments were due on June 9, 2017. SEEA will be acting as a technical advisor to the Commission. *Docket No. 2010-AD-2*
- **Advanced Metering Infrastructure:** On May 4, 2017, Entergy MS received approval of their proposed advanced metering infrastructure (AMI) roll-out from the Commission. The AMI deployment, which involves both residential and commercial customers, will include advanced meters, a two-way communications network, a meter data management system, an outage management system, and a distribution management system. Installation of the meters is expected to begin in early 2019. *Docket No. 2016-UA-261*

North Carolina

- **Clean Energy Legislation:** Last year, the North Carolina General Assembly convened stakeholders to craft comprehensive energy legislation. Following months of negotiations, [HB 589](#) was introduced in the N.C. House of

Representatives on June 5th. If passed, the bill would create a competitive bidding process for solar developers and establish a solar leasing program that allows customers to work with private parties to install renewable energy. As of June 7th, the bill has passed the House and is currently before the Senate.

Virginia

- **Evaluation, Measurement, and Verification:** On May 16, 2017, the Virginia State Corporation Commission [proposed rules](#) for the evaluation, measurement, and verification (EM&V) of utility-sponsored demand-side management (DSM) programs. Interested parties may file comments on or before July 28, 2017, and the Commission is scheduled to hold a public hearing on September 8, 2017. *Docket No. PUR-2017-00047*
- **Utility Program Cost-Effectiveness:** The Virginia SCC rejected the majority of Dominion's proposed DSM portfolio, stating that most of the proposed programs were not cost-effective under the RIM test and thus not in the public interest. Several of these proposed programs had been approved by the SCC in the past. *Docket No. PUE-2016-00111*
- **State Actions on Carbon Emissions:** Gov. Terry McAuliffe signed [Executive Directive 11](#), which instructs VA DEQ to begin establishing regulations in VA to reduce carbon emissions from power plants. The directive was one of five recommendations in the final report produced by the [Executive Order 57 Working Group](#), which required the VA Secretary of Natural Resources to convene a work group to study and recommend methods to reduce carbon emissions. SEEA presented a menu of options focused on energy efficiency to the E.O. working group in January.

General

- **Federal Budget:** On May 22, 2017, the Trump administration released its final [2018 budget proposal](#). The proposed budget closely aligns with the budget outline that was released in March, and includes significant cuts to EPA (including the Energy Star program) and the Department of Energy. At the time of writing, Congress has not yet initiated a process to develop the federal budget for fiscal year 2018.
- **Paris Agreement:** On June 1, 2017, President Trump [announced](#) that the US would be withdrawing from Paris Climate Accord. According to the terms of the Accord, the US could initiate withdrawal procedures in 2020. Following the announcement, a variety of states and businesses announced their intentions to remain committed to the terms of the internal agreement. In addition, over 200 city mayors have [announced](#) their intention to continue with Paris action.