

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:** December 19, 2022

**TO:** Docket File

**FROM:** Jon Rubottom, Attorney *JHR*

**RE:** Docket No. 20200181-EU, In re: Proposed amendment of Rule 25-17.0021, F.A.C., Goals for Electric Utilities.

---

Please place the attached comments, received from Brian Lee on December 16, 2022, in the docket file for Docket No. 20200181-EU.

Rethink Energy Florida  
603 North Martin Luther  
King Jr. Boulevard  
Tallahassee, FL 32301

Adam Teitzman  
Commission Clerk  
Florida Public Service Commission  
2540 Shumard Oak Blvd  
Tallahassee, FL 32399

**RE: DOCKET NO. 20200181- Rethink Energy Florida's Post Workshop Comments  
for November 30,2022 Rule Development Workshop**

Dear Commissioners,

Rethink Energy Florida thanks the Public Service Commission for the opportunity to comment on the proposed amendment of Rule 25-17.0021 F.A.C., Goals for Electric Utilities. Below are the comments regarding the November 30, 2022 Rulemaking Workshop.

Sincerely,  
Rethink Energy Florida



Rethink Energy Florida is a non-profit organization dedicated to Florida's equitable transition to clean energy. Rethink Energy Florida urges the Public Service Commission to enact stronger energy efficiency guidelines for investor-owned utilities and remove the Ratepayer Impact Measure and two-year payback screen. Both measures restrict Florida customer savings and contribute to the state's low rankings nationwide.

For 30 years, Florida's Ratepayer Impact Measure has failed to evaluate the importance of energy efficiency standards by prioritizing utility revenue over customer savings. Florida should abandon the RIM test because results do not accurately measure the benefit of EE programs, the RIM test is no longer used by any other state, and only energy efficiency programs must adhere to the RIM test.

Energy efficiency programs decrease energy consumption, posing a threat to utility revenue resulting in rate increases across service areas. While the goal of energy efficiency programs is to reduce energy use, the RIM test treats energy savings as a negative by measuring impacts across the entirety of the consumer base. The RIM test also lacks accuracy in long-term rate projections. These inaccuracies lead to unfair ratings for energy efficient technologies (Clark, Sowell, and Schultz, 2018). According to the California Standard Practice Manual, using the RIM test, "a program that promotes an inefficient appliance may give a more favorable test result than a program that promotes an efficient appliance."

Furthermore, and arguably the most concerning issue, the RIM test is not the best practice for determining the efficiency of fuel substitution programs. Fuel substitution programs involve the conversion of one fuel source to another, such as the conversion of natural gas to electricity. For example, programs subsidizing the replacement of a natural gas water heater with an electric heat pump are susceptible to failure regardless of their superior performance and savings (Department of Energy, n.d.). The inability to measure the benefits of innovative technologies is a major setback of the RIM test.

Florida is the only state that uses the RIM test, signaling its outdated methods and lack of efficacy. In addition to being an obsolete practice throughout the nation, the RIM test is not used to evaluate supply-side programs which often result in rate increases to subsidize energy infrastructure projects. By considering ratepayer and utility revenue costs for energy efficiency projects rather than supply-side projects, utilities are incentivized to prioritize expanded development rather than addressing demand-side inefficiencies that contribute to increasing energy needs.

As mentioned within previous Florida, Power, and Light comments, the main benefit of the RIM test is the evaluation of unrecovered revenue from a utility standpoint. However, one of the primary purposes of demand side management energy efficiency goals is to determine the unrecovered energy savings from a customer's perspective. Although it is important to understand utility costs, it should not be prioritized over consumer savings.

Additionally, the elimination of programs which pay utility customers back in two years or less disqualifies strategies that provide the greatest benefit to low-income residents. No more than 30% of income should be spent on housing, of that no more than 6% should be spent on energy (Department of Energy, n.d.). Households spending more than 6% have a high energy burden while 10% constitutes a severe energy burden (Gilleo, 2017). Within Florida, half of low-income residents in major cities such as Jacksonville, Tampa, Orlando, and Miami have an energy burden greater than 7.2% (Gilleo, 2017). Floridan's on average spend 8.38% of their income on energy according to "A Study of Energy Equity Within Florida" published by Florida Department of Agriculture and Consumer (The Balmoral Group, 2022). The state of Florida is energy burdened and in critical need of investment, especially in low-income communities.

Financial barriers prevent many low-income residents from replacing inefficient appliances. However, low-cost solutions such as energy efficient light bulbs whose costs can be recovered in less than two years are of great value to low-income homeowners. By removing the two-year payback screen Florida can promote efficiency in energy burdened homes who need these savings to cover other expenses.

Now more than ever, Florida must dedicate itself to energy efficiency to relieve our citizens of rising energy costs. The Public Service Commission should remove the Ratepayer Impact Measure and the two-year payback screen, to ensure demand side management practices that emphasize energy efficiency are available to all utility customers.

## References

- Clark, W. W., Sowell, A., & Schultz, D. (2018). Life cycle analysis. *Sustainable Cities and Communities Design Handbook*, 175–207.  
<https://doi.org/10.1016/b978-0-12-813964-6.00010-0>
- Department of Energy. (n.d.). Low-income Community Energy Solutions. State and Local Solutions Center. Retrieved December 1, 2022, from  
<https://www.energy.gov/eere/slsc/low-income-community-energy-solutions>
- Department of Energy. (n.d.). Heat Pump Water Heaters. Energy.gov. Retrieved December 14, 2022, from <https://www.energy.gov/energysaver/heat-pump-water-heaters>
- Scavo, J., S. Korosec, E. Guerrero, B. Pennington, and P. Doughman. 2016. Low-Income Barriers Study, Part A: Overcoming Barriers to Energy Efficiency and Renewables for Low-Income Customers and Small Business Contracting Opportunities in Disadvantaged Communities. Sacramento: California Energy Commission.  
[www.energy.ca.gov/business\\_meetings/2016\\_packets/2016-12-14/Item\\_08/Item\\_08.pdf](http://www.energy.ca.gov/business_meetings/2016_packets/2016-12-14/Item_08/Item_08.pdf).
- The Balmoral Group, 2022. A Study of Energy Equity Within Florida. The Balmoral Group, Winter Park, FL.
- Gilleo, A., Nowak, S., & Drehobl, A. (2017). (rep.). Making a Difference: Strategies for Successful Low-Income Energy Efficiency Programs. American Council for an Energy Efficient Economy (ACEEE). Retrieved from  
<https://www.aceee.org/sites/default/files/publications/researchreports/u1713.pdf>.