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EMERGENCY MANAGEMENT • HOUSING AND COMMUNITY DEVELOPMENT • RESOURCE PLANNING AND MANAGEMENT
JAMES F. MURLEY

LAWTON CHILES
Governor

Secretary

March 15, 1996

Ms. Susan F. Clark, Chairman
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, Florida 32399-0862

Dear Chairman Clark:

We fully support the Commission's efforts to update your rules concerning energy audits by public utilities in Florida. The proposed amendments contained in the Notice of Rulemaking under Docket No. 960023-EG, and the repeal of unnecessary provisions, provide an opportunity for all of us engaged in encouraging energy efficiency in Florida to improve our economy and regulatory climate.

We would like to suggest that the Commission follow the recommendations of the Building Code Task Force, created pursuant to the current Memorandum of Understanding between the Commission and the Department of Community Affairs, as accepted by the Commission at its February 20th Internal Affairs meeting. Specifically, the recommendation made on page 11 as follows:

"Finally, we would recommend that utilities adopt the state BERS rating system as the standard to replace their individual Five-Star Rating programs currently in place. It does not make sense to have different rating scales, especially given the consistency of the BERS program with the building code standards. Since audits will continue to be an ongoing service function of utilities, providing the customer with a standardized rating of their home seems to be an integral part of such a service."

In order to adopt the sense of this recommendation, we would suggest the Commission adopt the attached changes to the proposed rule. To ease evaluation, we have proposed our changes by striking out and underlining language to the rule as proposed rather than as currently in existence. We are committed to improving the computer software which supports both the commercial and residential Building Energy-Efficiency Rating System as specified in Florida Statutes (Section 553.990 et seq.).

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We have further attached a letter from our contractor, the Florida Solar Energy Center, on planned improvements to the software which we will make broadly available and which will be easily compatible to meet the standards set by the Commission for Class A audits. We also plan to be in compliance with any national standards or guidelines issued and anticipate a very effective national market and financing strategy to implement energy efficiency programs at both the residential and commercial levels. Florida is recognized as a leader in these efforts. We believe both the public utilities and the public, generally, will be well served by the adoption of these proposed changes.

If you have any further questions or desire greater information about our plans, please do not hesitate to request.

Sincerely,



Jim Tait, Director
Florida Energy Office



Rick Dixon, Administrator
Florida Building Codes & Standards

Attachments

Proposed changes to proposed revisions to Rule 25-17.003 suggested by Jim Tait, Florida Energy Director and Rick Dixon, Administrator of Florida Building Code and Standards; March 15, 1996; page 1 of 2.

- Section 25-17.003(1) at page 1, line 11

(a) "Class A Residential Audit" means a computer assisted energy analysis of a residence, conducted in accordance with Florida's Building Energy-Efficiency Rating System Procedures for Residential Buildings, and applicable state and federal statutes and administrative rules, in which a qualified auditor performs a comprehensive on-site evaluation of the residence in accordance with subsection (6) and paragraphs (7)(c) and (7)(d), and, if applicable, provides installation arrangements and inspections pursuant to this rule.

(b) "Class B Residential Audit" means a computer assisted energy analysis of a residence in which the input data comes from a mail-in form containing informaion provided by the customer, or a walk through energy analysis of a residence in which a qualified auditor walks through the residence making extensive observations as to the physical structure and components, performs simplified heat gain and heat loss computations, and advises the customer of feasible energy conservation practices and measures.

(c) "Class A Commercial Audit" means an computer assisted energy analysis of a commercial building and its associated energy systems conducted in accordance with Florida Building Energy-Efficiency Rating System Procedures for Public and Commercial Buildings and applicable state and federal statutes and administrative rules to determine it energy efficiency and to identify for the customer those measures that may improve its energy efficiency.

(d) "Class B Commercial Audi" means a computer assisted energy analysis of a commercial building and its associated energy systems in which the input data comes from a mail-in form containing informaion provided by the customer, or a walk through energy analysis of a commercial building and its associated energy systems in which a qualified auditor walks through the commercial building making extensive observations as to the physical structure, components and energy systems of the building; performs simplified heat gain and heat loss computations; and advises the customer of feasible energy conservation practices and measures.

And re-letter subsequent paragraphs and modify future references to Class A and Class B Audits as appropriate.

Proposed changes to proposed revisions to Rule 25-17.003 suggested by Jim Tait, Florida Energy Director and Rick Dixon, Administrator of Florida Building Code and Standards; March 15, 1996; page 2.

- Section 25-17.003(4) at page 4, line 10

(4) Energy Audit Charges.

(a) Every utility may charge an eligible customer for a Class A Residential Audit. This charge shall not exceed the average cost of a physical site audit plus \$15, and shall first be filed with the Commission as part of the utility's tariff.

(b) Every utility may charge an eligible customer for a Class B Residential Audit. This charge, which shall not exceed \$5, shall first be filed with the Commission as part of the utility's tariff.

(c) Every utility may charge an eligible customer for a Class A or Class B Commercial or an Industrial Audit. The amount of this charge shall be first filed with the Commission as part of the utility's tariff.

- Subparagraph 25-17.003(7)(d)4. at page 8, line 1

(7) Performance of the audit.

(d) For Class A Audits, using the data gathered pursuant to paragraph (7)(c), the auditor shall provide the customer with a result sheet showing:

4. An example optimization calculation based on the measures listed in subparagraph (d) 3, which clearly indicates that the total energy cost savings from the installation of more than one measure could be less than the sum of energy cost savings of each individually installed conservation measure; and



March 13, 1996

Mr. Jim Tait
Director
Florida Energy Office
Department of Community Affairs
2740 Centerview Drive
Tallahassee, FL 32399-2100

Dear Jim,

This letter is in response to your request for information on the energy optimization capabilities we are developing for the new Residential Florida Ratings for Energy Efficiency (ResFREE) software.

The concept is reasonably straight forward. Since the total efficiency improvements that can be expected from a group of individual measures are not the simple sum of the individual potentials, it is necessary to use successive optimization procedures to determine true savings, on both a measure-by-measure basis and on an overall basis. In words, the successive optimization process can be explained by the following steps:

- Step 1: Rank order all of the potential individual energy efficiency measures that can be applied to the subject residence (the original base home). Perform this ranking based on user selected economic parameters (e.g. simple payback, benefit/cost ratio, etc.), and cut-off criterion (e.g. ≤ 5 yr. payback, benefit/cost ratio ≥ 1.0 , etc.).
- Step 2: Evaluate the top-ranked efficiency measure to ensure that it meets the specified cut-off criteria for the specified economic parameter. If it does, then go on to Step 3. If it does not, then the optimization analysis and measures list is complete.
- Step 3: Modify the base home by adding the top-ranked efficiency measure so as to create the new base home for use in the successive analyses.
- Step 4: Re-rank the remaining efficiency measures using the new base home created in Step 3, then go back to Step 2.

Our plans are to incorporate an automated successive optimization process into the new software we are developing for rating systems in Florida. The software will be quite "smart" in the sense that once the subject building has been described, the software will know exactly "where" the building is with respect to a broad range of improvement opportunities. The database that co-resides with the energy evaluation engine will also contain default values for economic

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parameters like incremental costs for improvements, discount rate, lifetime, etc. These defaults, however, can be reset or overridden by the user if they desire.

At the command of the user, the software will initiate the successive optimization process and produce a report based on the optimization parameters and cut-off values selected by the user. These reports can in turn be used to provide the economic cost benefit and cash flow data that is required for the new innovative mortgage and financing packages that are now being offered on a national basis through HUD, and on a pilot basis in selected states through Fannie Mae and Freddy Mac.

The energy rating and financing features provided by the new software are expected to provide for a significant positive influence in the energy efficiency marketplace in the sense that they can materially enhance the home owner's cash flow position through an enhanced ability to control home operating costs.

Jim, I hope this information is helpful. If we can be of any further assistance please don't hesitate to call me.

Sincerely,



Philip Fairey
Deputy Director

PF/mf

cc: Rick Dixon
Larry Roberson
Joanne Weber