

February 15, 2021

Chairman Gary F. Clark
Commissioner Julie I. Brown
Commissioner Art Graham
Commissioner Andrew G. Fay
Commissioner Mike La Rosa

Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399
Sent via email: Clerk@psc.state.fl.us

Re: DOCKET NO. 20200181-EU; PROPOSED AMENDMENT OF RULE 25-17.0021, F.A.C.,
GOALS FOR ELECTRIC UTILITIES.

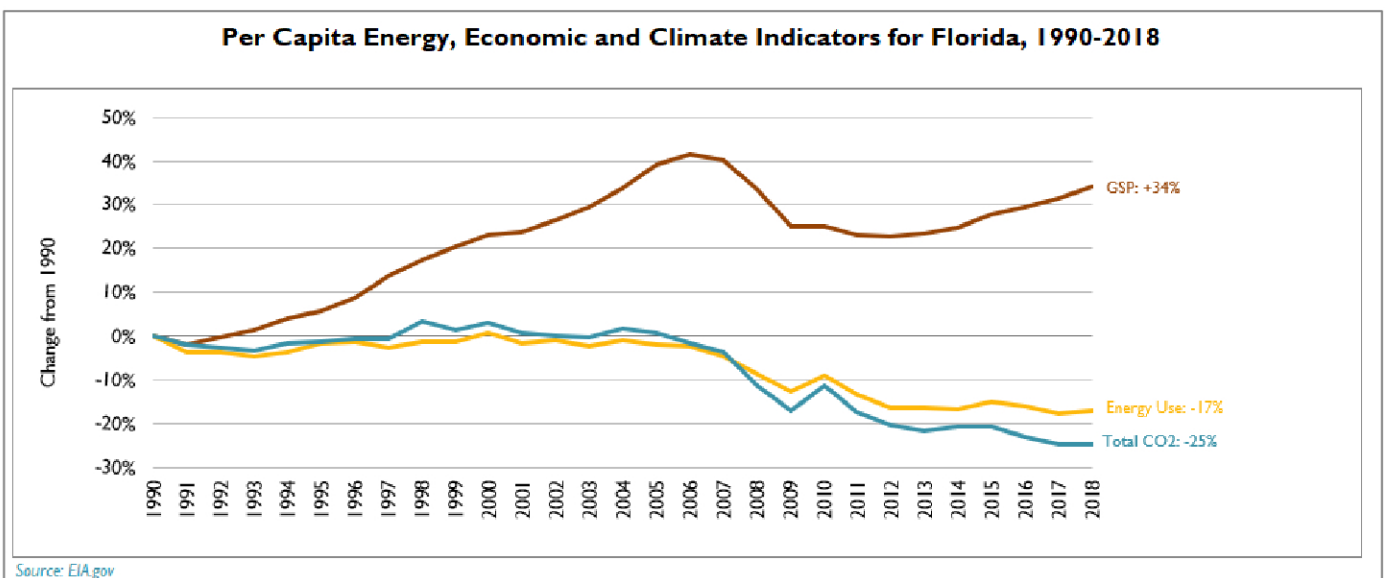
Dear Florida Public Service Commission and Staff,

Thank you to the Commission and Staff for the opportunity to provide comments concerning the development of new goals for demand management programs by the utilities pursuant to the Florida Energy Efficiency and Conservation Act. E4TheFuture is a small non-profit focused on educating key decision makers to enable smart energy policy and implementation in the United States.

As the Commission considers new rules and goals for the state's utilities, we urge you to consider the significant economic benefits of investing in energy efficiency.

A common misperception is that energy use "tracks" closely with economic growth. Nothing could be further from the truth. Since 1990--on a per capita basis--GDP grew by nearly 40% while energy use fell by nearly 20%.

Investing in energy efficiency means that Floridians will have more money to spend in the state economy with fewer dollars sent out of state to import energy.



In December 2019, there were almost 124,000 energy efficiency workers in Florida.ⁱ These workers build, maintain, and service homes and businesses. They include electricians, HVAC technicians and appliance

installers whose jobs help to eliminate wasteful practices and products. These workers help reduce energy bills, ensure occupant comfort, and improve indoor air quality. Unfortunately, due to the pandemic, Florida's energy efficiency workforce lost 13,589 jobs and declined by 11.0% by the end of 2020.ⁱⁱ

Strong commitments to increase investments in energy efficiency can help Florida's energy efficiency workforce recover from COVID-19 related job losses and employ thousands of currently unemployed workers. A recent study by E4TheFuture and E2 shows that modest investments in energy efficiency could create 36,969 jobs and contribute \$2.2 billion to the state's GSP every year for five years.ⁱⁱⁱ

Florida ranks 40th in the country for the number of energy efficiency jobs per capita, underscoring the economic development potential of increased utility and ratepayer investment in demand management programs.^{iv}

Investments in efficiency are a proven method to help ensure energy affordability. According to a recent report, 600,000 Florida residents were late on their utility payments,^v with ratepayers facing some of the highest electricity costs in the nation. According to the American Council for an Energy-Efficient Economy (ACEEE) "...half the low-income households in Jacksonville, Tampa, Orlando, and Miami have an energy burden greater than 7.2% - the national average is 3.5%."^{vi}

According to ACEEE's 2020 Utility Energy Efficiency Scorecard, the top three electric utilities in Florida are ranked "...at 46th, 48th, and 51st out of the 52 largest utilities nationwide in terms of [energy efficiency] program performance and savings."^{vii} The current structure of the Florida Energy Efficiency and Conservation Act allows the three-largest electric utilities in the state to propose 0% energy savings goals in 2019, which was rightly rejected by the Commission. The Commission instead established goals which were still a fraction of historical energy savings achieved by the utilities. While the average spending on energy efficiency by utilities in the Southeast was 1.64% of revenue, the Florida average stood at 0.54%.^{viii} The FEECA process should be modified so the utilities are incentivized to value energy efficiency by receiving a reasonable return on investments as they would with a new generation asset. This could unlock significant energy savings, especially when paired with establishing more ambitious energy savings goals.^{ix}

Reforming economic screening practices can also unlock the numerous economic benefits of increasing energy efficiency. Florida is currently the only state that uses the Ratepayer Impact Measure (RIM) as its primary test to assess the cost-effectiveness of its energy efficiency programs. Virginia was the only other state, until recently, to rely on the RIM test as its primary cost-effectiveness test. States have shifted away from using the RIM test to assess the cost-effectiveness of programs because it does not adequately value efficiency and focuses narrowly on program impact on customer rates irrespective of other well-documented benefits of efficiency programs.^x

The *National Standard Practice Manual for Distributed Energy Resources* (NSPM for DERs), published by a diverse group of stakeholders under the collaborative National Energy Screening Project, is a guidance document that provides a comprehensive framework to help jurisdictions establish cost-effectiveness practices that fully value resources including energy efficiency.^{xi} The NSPM for DERs provides a format for regulators to design sound benefit-cost analysis frameworks that responds to current needs and addresses the relevant policies and goals of each state undertaking investments in energy efficiency and other resources. Other jurisdictions, including Arkansas, Minnesota, New Hampshire and Rhode Island, have adopted the framework prescribed by the NSPM for DERs to assess and revise cost-effectiveness policies.^{xii}

We urge the Commission and Staff to consider revisiting the effectiveness of the state's current energy efficiency programs and pursue reforms that will enable savings, create thousands of jobs, and ensure Florida's economic competitiveness. We stand ready to serve as a resource for the Commission to assist in the development of a new chapter for Florida's energy efficiency programs. We appreciate this opportunity to submit comments.

Respectfully,

Pat Stanton
Director of Policy

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- ⁱ <https://e4thefuture.org/wp-content/uploads/2020/11/FLORIDA.pdf>
ⁱⁱ <https://e4thefuture.org/wp-content/uploads/2021/01/Clean-Energy-Jobs-December-COVID-19-Memo.pdf>
ⁱⁱⁱ <https://e4thefuture.org/wp-content/uploads/2020/07/E2E4-Build-Back-Better-Faster-Stimulus-Projection-Report-July2020.pdf>
^{iv} https://e4thefuture.org/wp-content/uploads/2020/12/Per_capita_jobs-by-state_EnergyEfficiency_2020.pdf
^v <https://www.wlrn.org/news/2020-07-29/hundreds-of-thousands-late-in-paying-electric-bills>
^{vi} <https://www.aceee.org/sites/default/files/pdf/fact-sheet/ses-florida-100917.pdf>
^{vii} <https://www.aceee.org/utility-scorecard>
^{viii} <https://www.aceee.org/blog-post/2021/01/year-florida-get-utilities-energy-saving-programs-back-track>
^{ix} <https://energynews.us/2021/01/27/southeast/commentary-flordia-needs-to-update-its-energy-efficiency-rules/>
^x <https://www.aceee.org/white-paper/2021/01/unrealized-potential-expanding-energy-efficiency-opportunities-utility>
^{xi} https://www.nationalenergyscreeningproject.org/wp-content/uploads/2020/08/NSPM-DERs_08-24-2020.pdf
^{xii} <https://www.nationalenergyscreeningproject.org/national-standard-practice-manual/case-studies/>