FPSC FACT SHEET
FEECA GOALS (Docket 130199-EI)

History of FEECA

Reducing Florida's peak electric demand and energy consumption became a statutory objective in 1980, when the Florida Energy Efficiency and Conservation Act (FEECA) was enacted by the Florida Legislature. FEECA emphasizes reducing the growth rates of weather-sensitive peak demand, reducing and controlling the growth rates of electricity consumption, and reducing the consumption of scarce resources, such as petroleum fuels. During the 2008 legislative session, the Legislature amended FEECA to place greater emphasis on the pursuit of all cost-effective energy efficiency measures including demand-side renewable energy systems.

Under FEECA, the FPSC must establish numeric conservation goals for each FEECA utility, at least every five years. FEECA goals were last set by the FPSC in 2009 to reflect the provisions of the revised FEECA statutes. Once goals are established, the utilities must submit for Commission approval, cost-effective demand-side management (DSM) programs designed to meet these goals.

The seven utilities subject to FEECA include: Florida Power & Light Company (FPL), Duke Energy Florida, Inc. (DEF), Tampa Electric Company (TECO), Gulf Power Company (Gulf), Florida Public Utilities Company (FPUC), Orlando Utilities Company (OUC) and JEA.

Conservation Achievements in Florida

- Over the last 33 years, the FEECA utilities' DSM programs in total have reduced winter peak demand by an estimated 6,465 megawatts (MW) and summer peak demand by an estimated 6,737 MW. The demand savings from these programs are equivalent to the deferral or avoidance of 45 typical 150 MW combustion turbine peaking power plants.

- Since 1980, Florida's population has more than doubled, but DSM programs have **reduced** Florida's total annual electric energy consumption by an estimated 8,937 gigawatt hours (GWh) from what it would have been today. *Note: 1 GWh is equivalent to 1 million KWh, and a typical residential customer uses approximately 14,400 KWh each year.*

- Since 1981, customers of Florida's investor-owned electric utilities (IOUs) have invested over $5.7 billion in DSM programs through the Energy Conservation Cost Recovery (ECCR) clause.

- Approximately $2.9 billion of conservation program investment occurred in the last ten years.

- In 2012, customers of Florida's investor-owned electric utilities invested over $387 million in conservation programs, providing more than 206,000 residential energy audits and over 100 conservation programs for residential and commercial customers. Monthly bill impacts for these programs has not exceeded $5 for a typical residential customer.

What's Changed since FEECA's Enactment?

- Today's building codes and appliance/manufacturing standards must meet strict energy efficiency guidelines, and they complement state level utility-sponsored DSM programs that consumers choose to participate in.

- Customers today want the tools and information to make informed energy choices, so they can manage their energy use and save on their bills. Overall, customers today are more energy aware and favor conservation programs, but will not support higher rates.

Investor-Owned Utilities' DSM Achievements--Comparative Analysis

In 2011, the FPSC's staff compared the DSM achievements of Florida's IOUs to those of utilities from other states. Some key points from the analysis include:

- Florida's energy usage tends to exhibit higher variation than other states due to Florida's weather, customer base, and high reliance on electricity for cooling and heating.

- Electric cooling and heating load contribute significantly to electric peak demand and the need for new power plants.

- Florida has a unique weather profile compared to other states, with the highest cooling degree days and lowest heating degree days of any state in the continental U.S.

- Florida has a high proportion of residential and commercial customers and low industrial load.

- Florida's IOUs have been successful in reducing customer demand relative to the utilities analyzed in the review.

- Florida's IOUs' DSM expenditures fall within the middle of expenditures by peer utilities.

The PSC's Role in Deciding Cost-Effective Goals

Consumer implementation of energy efficiency measures outside of utility programs, as well as building codes and efficiency standards, raise the baseline for new utility programs' cost effectiveness and reduce the amount of incremental savings available for utility conservation programs. The FPSC must establish conservation goals that are cost-effective and provide demand and energy savings, while ensuring reliable electric service and reasonable rates for all customers, as it is all customers who bear the cost of the utility's energy-efficiency programs, whether they use them or not.

Conservation programs have steeply increasing cost curves, and the Commission must consider customer rate impacts in determining the appropriate level of goals. The Commission is holding hearings from July 21-23 and 30-31, 2014 to establish new goals for 2015-2024.

**All information compiled from the Annual Report on Activities Pursuant to the Florida Energy Efficiency and Conservation Act and the Florida Investor-Owned Utilities' Demand-Side Management Achievements-Comparative Analysis.*