Florida Public Service Commission
FEECA Fact Sheet
Docket Numbers 20190015-21 EG

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, increasing the overall efficiency and cost-effectiveness of electricity and conserving expensive resources, such as petroleum fuels.

The Florida Public Service Commission (FPSC) must adopt appropriate goals for increasing the efficiency of energy consumption and review the goals at least every five years. FEECA authorizes the FPSC to require each utility that is subject to the legislation to develop plans and implement programs for increasing energy efficiency and conservation.

During the 2008 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. Any costs imposed by state and federal regulations on greenhouse gas emissions must also be considered.

In implementing FEECA, the FPSC adopted rules whereby it must establish numeric conservation goals for each FEECA utility. Utilities must evaluate a variety of conservation measures to improve the energy efficiency of homes and buildings, and energy consuming devices such as air conditioning and water heating equipment. Once goals are established, the utilities must submit for Commission approval, cost-effective demand-side management (DSM) programs designed to meet these goals.

Numeric Conservation goals were last set by the FPSC in 2014. The seven electric utilities subject to FEECA include: Florida Power & Light Company (FPL), Duke Energy Florida, LLC (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 38 years, the FEECA utilities' DSM programs in total have reduced winter peak demand by an estimated 7,285 megawatts (MW) and summer peak demand by an estimated 7,863 MW.

- Since 1980, DSM programs have reduced Florida's total annual electric energy consumption by an estimated 10,694 gigawatt hours (GWh) from what it would have been today. *Note: 1 GWh is equivalent to 1 million KWh, and on average, a Florida residential customer uses approximately 12,950 KWh each year.*

- The five investor-owned electric utilities are allowed to recover reasonable expenses for DSM programs from their customers. These program costs are subject to FPSC review and approval. From 2007-2017, customers of Florida's investor-owned electric utilities (IOUs) invested approximately $3.9 billion in DSM programs through the Energy Conservation Cost Recovery (ECCR) clause.

- In 2017, customers of Florida's investor-owned electric utilities invested over $312 million in conservation programs, providing over 200,000 residential and commercial energy audits and more than 110 conservation programs for residential and commercial customers. In 2019, the bill impacts for these programs for a residential customer using 1,000 kWh ranges from $0.97 to $3.21 per month for each of the 5 investor-owned electric utilities.

What's Changed since FEECA's Enactment?

- Energy efficiency and conservation is achieved through multiple efforts. Energy efficient building codes for new construction result in an improvement to the overall energy efficiency of the housing and building stock over time. Appliance efficiency standards ensure that new appliances are more energy efficient than old appliances that are replaced. Educational efforts encourage consumers to use energy wisely. In addition, utility programs encourage the installation of appliances with energy efficiency ratings above standards, as well as improvements to homes and buildings above code requirements.

- As a result of these sustained and successful efforts, the opportunities for additional cost-effective savings from utility energy efficiency programs have narrowed.

- Customers today want the tools and information to make informed energy choices, so they can manage their energy use and save on bills. Overall, customers today are more energy aware and favor conservation programs, but are concerned about additional costs that could raise rates.

The PSC's Role in Deciding Cost-Effective Goals

The FPSC requires the utilities subject to FEECA to first assess the technical potential savings of all available energy efficiency and conservation measures. The utilities must also conduct analyses to evaluate the cost-effectiveness of measures. The FPSC must consider the costs and benefits of energy efficiency and conservation from multiple perspectives. These perspectives include, at a minimum, the customer who participates in a utility program; the customers who do not participate in a utility program but pay the costs of the program; and all customers of the utility.

The utilities subject to FEECA have filed with the FPSC written testimony supporting proposed numeric goals. Intervenors that represent customers, including the Office of Public Counsel, and other organizations are participating in the process in support of their positions in the respective dockets.

An evidentiary hearing will be held on August 12-15, 2019 on new goals for 2020-2029. At a later date, the FPSC will vote to establish new goals for each utility.

**All information compiled from the Annual Report on Activities Pursuant to the Florida Energy Efficiency and Conservation Act.*