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Southern Alliance for Clean Energy

September 15, 2020

Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, FL 32399-0850

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

Dear Chairman Clark, Commissioners Brown, Fay, Graham and Polmann:

On July 22, 2020, Southern Alliance for Clean Energy ("SACE") filed a request for scoping workshops in the above rulemaking docket to address the core issues that have plagued the Commission and the state from achieving meaningful levels of energy savings for Florida families and businesses. SACE has yet to receive a response to its request. Since the filing of that request, the Commission has moved the date for its Notice of Rule Development from August 31 to October 9, 2020. Clearly, the Commission should advance prudently as it considers reforming its goal setting rule. As part of the Commission's consideration, SACE respectfully reiterates its request that the Commission address head-on FEECA's decades-old economic screening practices as part of the scope of this rulemaking, and to do it in part through one or more workshop that garner input from stakeholders, the public, and experts in the field.

Hundreds of residential customer comments have been filed in the docket in support of a scoping workshop to address core issues that are holding back the state from capturing meaningful energy savings, including comments from the League of United Latin American Citizens, the Southeast Sustainability Directors Network, the Ceres BICEP network, and state and local elected officials. The message from this diverse group of customers and representatives is clear: it is time to *Fix FEECA now*. The Commission has an opportunity to do just that through this docket.

As we stated in our original request for one or more scoping workshops, the Commission's primary reliance on the Ratepayer Impact Measure test and the two year payback screen are seriously flawed and do not allow for setting meaningful efficiency savings goals in Florida. No other state in the country uses these practices when setting efficiency goals, and alternatives should be explored during the new rulemaking process.

The RIM test is not a measure of utility system benefit or the economic value of energy efficiency, but rather a test focused on lost utility revenue. As used in Florida it creates a significant blind spot for decision making while discounting the benefit of lower energy bills for customers.

Additionally, measures with a payback period of two years or less have been arbitrarily eliminated from utility efficiency goals. Florida is the only state to use this practice as a way to account for so-called free-ridership. Despite being in use for more than two decades, though, Florida's two-year payback screen still lacks any documented empirical basis, and diverges from well-established industry practices for evaluation, measurement, and verification that are commonly employed across the country. By contrast, measures with a payback of two years or less make up the lion's share of savings for most states, including those with the strongest history of capturing cost-effective efficiency.

Together, use of the RIM test and 2-year payback screen eliminate the lowest cost - highest impact measures from consideration, which had the effect of driving many utilities' proposed goals to zero or near zero during the last goal setting proceeding. Given the continuing economic fallout from the Covid-19 crisis, measures that help customers reduce energy use and save money on bills are more critical than ever.

The Commission has, understandably, indicated frustration over Florida's poor overall performance on efficiency, as well as being presented with goals of zero based on these outdated screening practices. During the November 5, 2019 Agenda Conference where the Commission rejected proposed zero or near zero goals, Commissioner Brown, for instance, stated "it just didn't make sense to me to have zero goals. It's like running a marathon at zero miles per hour. You're never going to get to the finish line."[1]

Commissioner Clark agreed that the FEECA process "does need some substantive changes to it," and that "everything we're going to be doing from this point in is going to take . . . a completely different strategy than we've used in the past."[2]

We strongly concur with Commissioners Brown and Clark that these issues must be addressed head-on. This rulemaking docket presents the opportunity to do just that.

We trust that PSC staff recognizes the critical importance of including these issues in the scope of new rulemaking and respectfully request that the Commission add clarity to this matter. We also wish to reiterate our request that one or more workshops be convened prior to Commission staff rewriting the FEECA rules.

We look forward to working with staff, stakeholders, the public, and experts to address issues in this rulemaking proceeding that will lead to better efficiency savings outcomes for the state and its citizens.

Sincerely,

/s/ George Cavros
George Cavros, on behalf of
Southern Alliance for Clean Energy

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[1] Transcript of Agenda Item No. 8, November 5, 2019, p. 15.
[2] *Id.* at 17-18.