Florida Blueprint for Affordable Energy: A Solution for Florida's Affordability Crisis

Following the country's hottest summer on record, temperatures are not the only thing reaching new heights in Florida—so are electricity bills and utility profits.[1] Bills for typical residential customers of Florida's three largest investor-owned utilities (IOUs) were higher at the start of 2026 compared to a year earlier.[2] This exacerbates a long-term affordability crisis for Floridians, as residential electricity bills were already up between 40% and 80% since 2021.[3] Florida's continued reliance on natural gas and other fossil fuel sources for electricity keeps customers exposed to price shocks in volatile energy markets.[4] Meanwhile, Florida utilities are raking in profits above the industry average.[5]

This Blueprint for Affordable Energy outlines potential solutions that Florida legislators could pursue to crack down on corporate greed, ensure accessible and reliable energy for all Floridians, and reduce reliance on dirty fossil fuels.

Florida's Affordability Crisis

Florida's energy affordability crisis affects customers regardless of their electricity provider. From January 2021 to January 2026, typical residential bills (not including taxes and fees) increased by the following amounts:

- $57.35 per month ($688.20/year) for Duke Energy Florida (Duke) customers—a 45% increase.
- $39.08 per month ($468.96/year) for Florida Power & Light (FPL) customers—a 42% increase.
- $77.22 per month ($926.64/year) for Tampa Electric (TECO) customers—an 81% increase.[6]

In contrast, inflation rose 24% over the same period.[7] This means that bills for Duke and FPL customers rose nearly twice as much as inflation, and for TECO customers over three times as much.

Food & Water Watch analysis of the per customer cost for 182 IOUs in June 2025 found that TECO and Duke were among the top seven, while FPL was in the top 30 in the nation.[8] Bills have only increased since: Duke and TECO bills alone increased more than 20% between January 2025 and January 2026.[9] Further, Florida electricity customers experienced the second highest rate of customer disconnections in 2024.[10] Additional rate increases are expected in 2027 for many ratepayers.[11] The constant increases have earned the Florida Public Service Commission (PSC), the body that approves or denies rate hikes, the label of "rubber stamp" for the IOUs.[12]

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Florida relies heavily on fossil fuels for electricity generation, with natural gas accounting for over 70% of the state's electricity generation in the first quarter of 2026.[13] This is an affordability issue, as IOUs pass on their high fuel costs directly to customers.[14] In March 2026, natural gas prices in some parts of the world reached their highest levels since December 2022, with shocks expected to last through 2030 due to the US conflict with Iran.[15] And while natural gas prices in the United States have been relatively insulated from global price shocks, Florida utilities purchase their fuel, including natural gas, from open markets where prices are unregulated.[16] Therefore, significant shocks to the global natural gas market will likely have effects on domestic prices, especially as the full extent of the energy impacts from the Iran conflict have yet to be realized.[17]

At the same time, Florida's three largest IOUs are raking in hundreds of millions, if not billions, of dollars per year in profit.[18] According to the Energy & Policy Institute (EPI), the profit rate for IOUs in 2025 rose to 14.6%, compared to 12.8% during the period 2021–2024. In 2025, Duke, FPL, and TECO all reported profit rates higher than the national average of 14.6%. FPL's 2025 rate of profit exceeded 27%, the highest rate in the country and nearly double the national average, according to EPI.[19] This means that the typical FPL residential customer using 1,000 kilowatt-hours of electricity per month is paying $37.49 each month directly into FPL's profits, equivalent to nearly $450 per year.[20] These unjustifiable increases point to corporate greed as a driving factor.

This pattern needs to change. **Florida needs affordable clean energy now**. Food & Water Watch proposes the following Blueprint for Affordable Energy to make this possible. It involves cracking down on corporate greed; ensuring accessible and reliable energy; and reducing reliance on expensive and volatile fracked gas and other fossil fuels. Florida's legislators must pass legislation to enshrine the following slate of solutions into law to ensure affordable clean energy for all Floridians.

Solution: Crack Down on Corporate Greed

Currently, the largest Florida utilities are raking in profits above the industry average, at the expense of ratepayers.[21] This is wrong. Florida's utility regulator—the Florida PSC—has become a rubber stamp for utility rate hikes, exacerbating the problem. We need guardrails in place to stop PSC handouts. Policy initiatives include:

- **Reel in utility profits**. Florida's utilities have higher profit rates than average—compared to similar-scale utilities across the country—while FPL had the highest profit rates in the country in 2025.[22] Requiring utilities' profits to match comparable national averages and tying these profits to efficiency metrics would save Floridians from unchecked corporate greed.[23] Additional restrictions should be placed on accounting mechanisms that allow utilities to collect more than their approved rate.

- **Require affordability as a metric**. The PSC must consider affordability as a requirement when deciding whether to approve rate cases. For example, affordability can be defined as a threshold percentage of median household income spent on electricity.[24] Additionally, the various cost recovery proceedings should be consolidated into an integrated resource plan (IRP) proceeding where utilities must demonstrate least-cost planning. Transparency and

consolidation of planning provide a better metric for assessing overall affordability and a lower threshold for intervention by impacted stakeholders.

- **Enforce a more competitive debt-to-equity ratio**. Over-reliance on equity for financing helps Florida utilities increase their rates and profits, given the high rates of return on equity (ROE).[25] Beginning in 2026, FPL was granted an ROE of 10.95%, well above the 9.75% national industry average for the first half of 2026.[26] The fact that FPL had one of the lowest debt-to-equity ratios of US utilities at the end of 2024[27] illustrates its ability to capitalize on high ROE rates, passing these costs on to ratepayers. Legislators can address these issues by requiring a level of debt-backed financing closer to the industry average.

- **Prevent data center cost appropriation**. First and foremost, legislators should enact a ban on new hyperscale data center development. Legislators should also ban non-disclosure agreements (NDAs) between public officials and data center companies, require public notice of new data center developments, and enact a separate large load tariff on new projects. These actions would protect ratepayers from taking on additional power grid and generation costs related to data center development.

Solution: Ensure Accessible and Reliable Energy

The US Department of Energy defines a high energy burden as when a household spends 6% or more of its income on energy.[28] According to the American Council for an Energy-Efficient Economy, half of the low-income households in Jacksonville, Miami, Orlando, and Tampa face an energy burden over 7.2%.[29] Florida legislators must ensure energy access and reliability for all Floridians, focusing on our most vulnerable and historically marginalized residents. Policy initiatives include:

- **Enact energy burden relief or percentage of income payment programs (PIPP)**. In addition to the federal Low-Income Home Energy Assistance Program,[30] Florida legislators should enact additional energy burden protections for low-income Floridians. States like Ohio and Virginia currently offer PIPPs that aim to reduce household energy burden by capping bills as a fixed percentage of household income.[31]

- **Eliminate punitive fees**. In the past, Florida utilities were found to have charged late fees much higher than the national average.[32] These fees, along with disconnection fees, should be eliminated, as they add financial burden to ratepayers already struggling to pay their bills in the first place.

- **Provide protections from shutoffs**. In 2024, Florida recorded the second highest number of electricity shutoffs of any US state, accounting for over 16% of the country's electricity disconnections.[33] Escalating electricity costs, coupled with high costs for groceries, housing, and insurance, have made bills unaffordable across the board.[34] Further, Florida law does not currently provide any heat-based protections for ratepayers.[35] This means that Floridians are subject to electric shutoffs even during dangerously hot periods. Arizona, for example, has a summer utility shutoff moratorium for the hottest months of the year.[36] Legislators must enact measures to protect vulnerable residents from reprehensible shutoffs.

- **Necessitate proportional in-district hearings**. Legislators must compel the PSC to hold in-district hearings—proportional to the number of customers in a given region—that concerned residents may easily attend, to ensure public involvement in rate cases and to allow essential testimony to be heard.

- **Require the Office of the Public Council (OPC) to be a necessary party in settlements**. Currently, the OPC is a party in all hearings but is not a necessary party for settlements,[37] meaning that cases can be settled with only utility and corporate actors involved. Legislators should require the OPC as a party in any rate-case settlements to make sure rate cases cannot be settled without a stakeholder for residential ratepayers.

Solution: Reduce Reliance on Expensive and Volatile Fossil Fuels

As of the beginning of 2026, 70% of Florida's electricity comes from natural gas.[38] This subjects Florida ratepayers to price shocks due to reliance on volatile natural gas markets.[39] Legislators should require utilities to reduce the amount of fuel they are burning, choose low-cost fuel options, and provide residential energy efficiency programs to reduce total energy consumption. Policy initiatives include:

- **Implement fuel-cost sharing**. Currently, Florida utilities pass fuel costs directly on to consumers.[40] Implementing fuel-cost sharing would provide an incentive for utilities to manage fuel costs by making utilities shoulder a portion of the fuel-cost volatility risk.[41] Nine states already require utilities to share fuel costs with consumers, and a number of other states are considering such a policy, as it has the potential to save ratepayers millions.[42]

- **Introduce supply-side efficiency standards**. Supply-side efficiency standards and renewable energy policies could help Florida ratepayers save on bills by reducing reliance on volatile fossil fuels and lowering operation and maintenance costs from current inefficient fossil fuel generation resources.[43]

- **Mandate strong FEECA standards for Florida IOUs**. Currently, Florida IOUs are held to weak or nonexistent efficiency standards through the Florida Energy and Efficiency Conservation Act (FEECA). These standards are framed as goals and voluntary programs, offering little motivation for utilities to meet the stated efficiency standards.[44] Legislators should also expand energy efficiency programs to cover renters as well as homeowners.

Conclusion

Florida's energy affordability crisis is not a foregone conclusion. An affordable energy future is an achievable reality for Floridians. Food & Water Watch urges the Florida legislature to pass legislation that cracks down on corporate greed, ensures accessible and reliable energy for all Floridians, and reduces reliance on expensive and volatile fossil fuels.

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