

State of Florida



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Public Service Commission

CAPITAL CIRCLE OFFICE CENTER • 2540 SHUMARD OAK BOULEVARD
TALLAHASSEE, FLORIDA 32399-0850
COMMISSION CLERK

-M-E-M-O-R-A-N-D-U-M-

DATE: November 30, 2017

TO: Office of Commission Clerk (Stauffer)

FROM: Division of Economics (Doherty) *ED*
Office of the General Counsel (Mapp) *ICM*

RE: Docket No. 20170212-EI – Petition for one-year extension of voluntary solar partnership rider and program, by Florida Power & Light Company.

AGENDA: 12/12/17 – Regular Agenda – Tariff Filing – Interested Persons May Participate

COMMISSIONERS ASSIGNED: All Commissioners

PREHEARING OFFICER: Administrative

CRITICAL DATES: 8-Month Effective Date: 06/01/18 (60-day suspension date waived by the utility)

SPECIAL INSTRUCTIONS: None

Case Background

On October 2, 2017, Florida Power & Light Company (FPL) filed a petition for a one-year extension of its Voluntary Solar Partnership (VSP) program and associated tariff. The VSP program was first approved in Order No. PSC-14-0468-TRF-EI as a pilot program that would terminate on December 31, 2017.¹ The VSP program offers all FPL customers an opportunity, for \$9 per month, to participate voluntarily in a program designed to contribute to the construction and operation of solar photovoltaic generation facilities located in communities throughout FPL's service territory. Customers may enroll or cancel their enrollment at any time. FPL's proposed tariff revision, as shown in Attachment A to the recommendation, changes the termination date for service under the VSP program from December 31, 2017 to December 31,

¹ Order No. PSC-14-0468-TRF-EI, issued August 29, 2014, in Docket No. 140070-EI, *In re: Petition for approval of voluntary solar partnership pilot program and tariff, by Florida Power & Light Company.*

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2018. The Commission approved similar community solar tariffs for Gulf Power Company² and Duke Energy Florida.³

FPL waived the 60-day file and suspended provision of Section 366.06(3), Florida Statutes, (F.S.). During the evaluation of the petition, staff issued a data request to FPL for which a response was received on October 23, 2017. On November 27, 2017, FPL filed an amended response to staff's first data request No. 2 to correct certain errors in the calculation. The Commission has jurisdiction in the matter pursuant to Sections 366.05, 366.06, and 366.075, F.S.

² Order No. PSC-16-0119-TRF-EG, issued March 21, 2016, in Docket No. 150248-EG, *In re: Petition for approval of community solar pilot program, by Gulf Power Company.*

³ Order No. PSC-2017-0451-AS-EU, issued November 20, 2017, in Docket No. 20170183-EI, *In re: Application for limited proceeding to approve 2017 second revised and restated settlement agreement, including certain rate adjustments, by Duke Energy Florida, LLC.*

Discussion of Issues

Issue 1: Should the Commission approve the one-year extension of the VSP program?

Recommendation: Yes. The Commission should approve the one-year extension of the VSP program. (Doherty)

Staff Analysis: The VSP program was approved as a voluntary pilot program with customer enrollment beginning in January 2015. However, due to the time needed for FPL to complete billing system modifications, the billing of VSP program participants for the monthly \$9 charge did not start until May 2015. A one-year extension of the VSP program tariff will allow FPL to gather additional data regarding the durability of customer interest over a more substantial period of time.

FPL showed, in response to staff's data request, that the first 12 months of the VSP program experienced moderate participation growth, with 2,734 participants (residential and commercial) enrolled by April 2016. In July 2016, FPL implemented adjustments to improve the online enrollment process which resulted in an increase in participants to 11,994 by the end of 2016. As of August 31, 2017, 22,705 participants were enrolled in the VSP program. FPL stated that, on average, the monthly new enrollments have more than offset the number of participants who have elected to unsubscribe.

The VSP program was designed for FPL to use the voluntary contributions to support the revenue requirement associated with constructing and operating the solar facilities so that non-participants are not required to subsidize the solar facilities. As shown in FPL's amended response to staff's first data request No. 2, the voluntary contributions did not cover the revenue requirement in 2015; however, for 2016 and 2017 FPL showed that the revenues received under the VSP program are greater than the revenue requirement of the solar facilities; thus, the net impact to all customers has been positive for 2016 and 2017.

As discussed in the order approving the VSP program, FPL is sizing the solar projects based on the level of participation. FPL currently has seven projects completed, 15 projects are under construction, and 20 projects are ready for construction. FPL stated that the completed and planned solar projects comprise a diverse set of assets, including ground-mount structures, rooftop installations, covered walkways, parking canopies, and interactive tree-like structures.

Conclusion

Staff agrees with FPL that a one-year extension of the tariff will allow FPL to gather additional data regarding customer interest and the long-term viability of the VSP program. At the end of pilot program, FPL will petition the Commission regarding the future of the VSP program. FPL also stated that it is currently developing, for Commission approval within the next year, a new large scale solar program which would provide participants with direct credits on their electric bill associated with the blocks of solar-generated capacity purchased.

Issue 2: Should this docket be closed?

Recommendation: If Issue 1 is approved and a protest is filed within 21 days of the issuance or the order, the tariff should remain in effect, with any revenues held subject to refund, pending resolution of the protest. If no timely protest is filed, this docket should be closed upon the issuance of a consummating order. (Mapp)

Staff Analysis: If Issue 1 is approved and a protest is filed within 21 days of the issuance of the order, the tariff should remain in effect, with any revenues held subject to refund, pending resolution of the protest. If no timely protest is filed, this docket should be closed upon the issuance of a consummating order.

VOLUNTARY SOLAR PARTNERSHIP RIDER
(OPTIONAL PILOT PROGRAM)

RATE SCHEDULE: VSP

AVAILABLE:

In all territory served by FPL ("the Company") to customers receiving service under any FPL metered rate schedule. This voluntary solar partnership pilot program ("VSP Program", "the Pilot") provides customers an opportunity to participate in a program designed to construct and operate commercial-scale, distributed solar photovoltaic facilities located in communities throughout FPL's service territory. Service under this rider shall terminate December 31, 2018~~7~~, unless extended by order of the Florida Public Service Commission ("FPSC"), or terminated earlier by the Company upon notice to the FPSC.

APPLICATION:

Available upon request to all customers in conjunction with the otherwise applicable metered rate schedule.

LIMITATION OF SERVICE:

Any customer under a metered rate schedule who has no delinquent balances with the Company is eligible to elect the VSP Program. A customer may terminate participation in the VSP Program at any time and may be terminated from the Pilot by the Company if the customer becomes subject to collection action on the customer's service account.

CHARGES:

Each voluntary participant shall agree to make a monthly contribution of \$9.00, in addition to charges applied under the otherwise applicable metered rate schedule. Customer billing will start on the next scheduled billing date upon notification of service request. The VSP Program contribution will not be prorated if the billing period is for less than a full month.

Upon participant's notice of termination, no VSP Program contribution will be assessed in the billing period in which participation is terminated.

TERM OF SERVICE:

Not less than one (1) billing period.

SPECIAL PROVISIONS:

Upon customer request, program participation may continue at a new service address if the customer moves within FPL's service territory.

RULES AND REGULATIONS:

Service under this rider is subject to orders of governmental bodies having jurisdiction and to the currently effective "General Rules and Regulations for Electric Service" on file with the Florida Public Service Commission. In case of conflict between any provisions of this schedule and said "General Rules and Regulations for Electric Service" the provisions of this rider shall apply.