

BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION

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FPSC - COMMISSION CLERK

In the Matter of:

DOCKET NO. 20170273-EQ

PETITION BY SUNRUN INC. FOR
DECLARATORY STATEMENT CONCERNING
LEASING OF SOLAR EQUIPMENT.

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PROCEEDINGS: COMMISSION CONFERENCE AGENDA
ITEM NO. 5

COMMISSIONERS
PARTICIPATING: CHAIRMAN ART GRAHAM
COMMISSIONER JULIE I. BROWN
COMMISSIONER DONALD J. POLMANN
COMMISSIONER GARY F. CLARK
COMMISSIONER ANDREW G. FAY

DATE: Friday, April 20, 2018

PLACE: Betty Easley Conference Center
Room 148
4075 Esplanade Way
Tallahassee, Florida

REPORTED BY: DEBRA R. KRICK
Court Reporter and
Notary Public in and for
the State of Florida at Large

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1 P R O C E E D I N G S

2 CHAIRMAN GRAHAM: Clicking on down, Item No.
3 4 -- No. 5, rather.

4 MS. HARPER: It's me again.

5 Item No. 5 is the petition by Sunrun for a
6 declaratory statement concerning leasing of solar
7 equipment.

8 Sunrun filed a petition for declaratory
9 statement asking the Commission to declare that
10 Sunrun's proposed leasing program did not
11 constitute a sale of electricity, and that Sunrun
12 and its consumers aren't subject to regulation by
13 the Commission.

14 The Commission considered the petition at the
15 March Agenda Conference. At the Agenda Conference,
16 the Commission deferred its consideration of the
17 petition so Sunrun could develop a draft solar
18 lease agreement to present to the Commission. This
19 would be for the limited purpose of the Commission
20 evaluating the relevant facts contained in the
21 provisions of the lease that related to the facts
22 in its petition.

23 On March 20th, Sunrun filed a draft solar
24 lease agreement to support the facts in its
25 petition. Staff is recommending that the

1 Commission grant Sunrun's petition, and issue the
2 declaratory statement as set forth in page three in
3 staff's recommendation.

4 Staff is available if you have any questions.

5 CHAIRMAN GRAHAM: Commissioners, any questions
6 of staff?

7 Commissioner Brown.

8 COMMISSIONER BROWN: Thank you, Mr. Chairman.

9 And thank you, Sunrun, for providing a draft
10 lease. I appreciate that. I know you didn't have
11 to do that, but it was a little more helpful in
12 digesting this petition. That being said, I do
13 have a couple of questions on it.

14 You state in your petition that Sunrun is
15 going to be remotely measuring the energy produced
16 by the solar system. That -- I am curious by that.
17 What are the reasons behind that?

18 And also, do you do that in other states, and
19 what is the purpose in those states as well?

20 MS. POLISUK: Good morning. Becca Polisuk
21 from Sunrun. Thank you, Commissioner, for your
22 question.

23 We do remotely monitor these systems, and just
24 to kind of zooming out a bit. There is more than
25 just solar panels including in the solar system

1 that would be leased. It would be the solar
2 panels, an advanced inverter and a meter, as well
3 as other equipment as may be required by the
4 utility, depending on the territory.

5 And that inverter does actively monitor the
6 performance of the panels, part of which is
7 included -- part of which is included the output of
8 the panels. So that data is measured and
9 monitored.

10 We do that as part of our maintenance package,
11 that is a bargain for part of the monthly lease
12 payments. And the reason why we do that -- there
13 are a number of reasons why we do that.

14 First of all, in a lease, we still own the
15 equipment, and the maintenance package allows us to
16 potentially alert a customer that there is a
17 problem with their equipment. Sometimes that
18 problem could be that the equipment is not
19 performing correctly. The panel is not performing
20 correctly. That's usually not the case.

21 Most of our calls are not around panel
22 performance. I would say that most of our calls
23 are around someone's meter isn't connected to the
24 internet. Someone's inverter is not capturing the
25 correct amount of data. Maybe it's been set off

1 somehow. A squirrel has chewed through a wire.
2 Unfortunate critter accidents happen quite a bit.

3 So those are the types of things that would
4 present information to our service technicians that
5 would, in theory, allow us to come -- give the --
6 give the customer a call and fix a problem before
7 it was something that came to their attention.

8 COMMISSIONER BROWN: So do you share that
9 information with the customer remotely? Or do you
10 keep that information to yourself until there is a
11 problem?

12 MS. POLISUK: We don't, that I know of, share
13 that regularly with the customer.

14 COMMISSIONER BROWN: What if they want to know
15 how much energy they are being -- that's being
16 produced and how the system is operating?

17 MS. POLISUK: That's their information. They
18 could certainly access it, and we would certainly
19 share that with them.

20 COMMISSIONER BROWN: You just said that, in
21 the petition also, that you have created a website
22 just for Florida specific.

23 MS. POLISUK: Uh-huh.

24 COMMISSIONER BROWN: Is that something that a
25 customer could access that type of information via

1 the website?

2 MS. POLISUK: No, not right now. And it's
3 unclear to me how we would use the Florida website,
4 because we are not selling this yet. And that
5 website is just up for people who buy our cash
6 product, and want to know a little more about kind
7 of what's going on in the state of Florida.

8 That Florida website is for sales and
9 operations purposes, for the most part, dormant.
10 Logging into the website would not be something --
11 the place where a customer would go to find their
12 data.

13 COMMISSIONER BROWN: Again, I appreciate you
14 coming before us. You didn't have to do that. You
15 didn't have to seek a declaratory action -- order
16 here. So I appreciate you getting us all of this
17 information.

18 The maintenance portion was very curious to me
19 in how -- and the information of accessing that
20 information to enhance the system. The
21 non-warranty maintenance costs, are those included
22 as well in the cost of the lease?

23 MS. POLISUK: Non-warranty maintenance costs?
24 Could you maybe point me to the section you are --

25 COMMISSIONER BROWN: Page five of the

1 recommendation. It's the fourth bullet from the
2 bottom down. It says, the customer lessee will be
3 responsible for the cost of non-warranty
4 maintenance repair and replacement. Can you
5 elaborate what that --

6 MS. POLISUK: Sure. So non-warranty
7 replace -- non-warranty costs would be borne by the
8 customer. And I think that a typical non-warranty
9 cost would be some sort of negligence on behalf of
10 the customer that affected the panels, or that
11 damaged them, that would not be included in either
12 the warranty of the equipment themselves or the
13 maintenance package. So that risk would be born on
14 the customer.

15 COMMISSIONER BROWN: Okay. I got it.

16 And I just want to go back again to that --
17 the data that you are collecting. I think it would
18 benefit Sunrun's customers to be able to have that
19 information. I know the intent is so that it
20 maximizes the equipment that they are leasing, but
21 it's a 20-year lease. I mean, at the end of the
22 lease, they will have already have paid for the
23 solar system, in essence. Having that information
24 can only benefit the customer, and I think Sunrun
25 should reevaluate that.

1 Thank you.

2 CHAIRMAN GRAHAM: Commissioner Polmann.

3 COMMISSIONER POLMANN: Thank you, Mr.
4 Chairman.

5 I appreciate that Sunrun has provided us
6 additional information. I think it's been helpful
7 to the Commission to be able to see this. I
8 recognize you are not -- you were not obligated to
9 provide the lease, but you recognize the discussion
10 and the concern from the last time this came
11 forward, so I do appreciate that you provided this.

12 I also want to recognize the staff effort to
13 go through the analysis. It was very helpful to
14 me, the discussion I had with staff, and the way
15 that staff approached this as a declaratory
16 statement, and explained it to me, what the
17 requirements were. So to everyone involved in
18 this, I appreciate the effort to make it very
19 clear, so thank you.

20 CHAIRMAN GRAHAM: Commissioner Clark.

21 COMMISSIONER CLARK: Thank you, Mr. Chairman.

22 I will add on my thanks to Sunrun for their
23 cooperation. I do have a couple of questions, and
24 just to express just some concerns I have as well.

25 You mentioned the website was fairly dormant.

1 In our last discussion, I took away from that that
2 the website was actually created to differentiate
3 the type of product and the type of lease that you
4 would be using in Florida as compared to what you
5 were offering in other areas. Is that still an
6 accurate statement?

7 MS. POLISUK: Should we sell in Florida our
8 leased product, that website will be used for sales
9 purposes and informational purposes. Currently,
10 it's not used for that purpose because we -- we
11 don't sell that product here.

12 COMMISSIONER CLARK: Okay.

13 MS. POLISUK: But you are right.

14 COMMISSIONER CLARK: Okay. So thank you.

15 My second area of concern is one that I think
16 that just I would remind the Commission that we
17 need to be aware of, and there appears to be a
18 little bit of conflict between the Commission and
19 our role and what is required by other agencies of
20 the State in terms of your stated performance, and
21 that would be the DBPR regulations that require you
22 to state an actual performance measure for the
23 systems. And I do have some concerns that those
24 two areas conflict, absolutely nothing do with you
25 or your company, but it's two agencies that have, I

1 would say some rules that may be in a little bit of
2 conflict with each other, so it's something I think
3 that we need to continue to keep an eye on.

4 But I think that overall, it's in the public
5 interest for us to have a mechanism like this, to
6 be able to ensure that these renewable resources
7 are available to the public, and I support the
8 declaratory statement, Mr. Chairman.

9 CHAIRMAN GRAHAM: Commissioner Fay.

10 COMMISSIONER FAY: Thank you, Mr. Chairman.

11 I also want to echo a thanks to staff. So I
12 think both me and Commissioner Brown can be a
13 little lawyer jaded sometimes when we read through
14 these things. And you spent a lot of time laying
15 out the parameters under 120, and what a dec
16 statement requires, and what we are required to do
17 as a commission.

18 Under that dec statement, I know I had a lot
19 of questions -- I am going to use the new guy
20 again, Mr. Commissioner Clark -- a lot of questions
21 as the new guy, you know, what do consumers or
22 customers do when they have issues with these
23 things? You know, I am learning the requirements
24 that are brought forward for consumers under
25 regulated utilities.

1 I don't know the answers to some of those
2 questions, but I recognize that the dec statement
3 in itself, and by law, is a very narrow analysis of
4 the facts that are brought forward by the
5 petitioner.

6 And so I just want to thank staff and both
7 Sunrun for all the time that you have spent laying
8 out the requirements and the narrow parameters that
9 these dec statements are done in, so thank you.

10 CHAIRMAN GRAHAM: Okay. Well, you can tell
11 that -- well, number one, I am glad you guys came
12 forward with this dec statement. It's something
13 that I think was probably in the works for a while,
14 and I am glad you came forward with it.

15 I want to thank you for giving us the
16 extension, because I think if we had to move
17 forward last meeting, I don't know if everybody
18 would have been pleased at this end of it. But I
19 think we came through with something that works,
20 that gives us a sense of comfort back here. So I
21 do appreciate that.

22 And that all being said, I will entertain a
23 motion.

24 COMMISSIONER CLARK: Move approval, Mr.
25 Chairman.

1 CHAIRMAN GRAHAM: It's been moved and
2 seconded, staff's approval of Item No. 5.

3 Any further discussion?

4 Seeing none. All in favor say aye.

5 (Chorus of ayes.)

6 CHAIRMAN GRAHAM: Any opposed?

7 (No response.)

8 CHAIRMAN GRAHAM: By your action, you have
9 approved staff recommendation.

10 Thank you very much.

11 And thank you, staff.

12 (Agenda item concluded.)

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CERTIFICATE OF REPORTER

STATE OF FLORIDA)
COUNTY OF LEON)

I, DEBRA KRICK, Court Reporter, do hereby certify that the foregoing proceeding was heard at the time and place herein stated.

IT IS FURTHER CERTIFIED that I stenographically reported the said proceedings; that the same has been transcribed under my direct supervision; and that this transcript constitutes a true transcription of my notes of said proceedings.

I FURTHER CERTIFY that I am not a relative, employee, attorney or counsel of any of the parties, nor am I a relative or employee of any of the parties' attorney or counsel connected with the action, nor am I financially interested in the action.

DATED this 1st day of May, 2018.



DEBRA R. KRICK
NOTARY PUBLIC
COMMISSION #GG015952
EXPIRES JULY 27, 2020