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Hiep Nguyen

From: Office of Commissioner Clark
Sent: Tuesday, June 14, 2022 9:26 AM
To: Commissioner Correspondence
Subject: FW: ongoing electrical utility industrial sector machinations
Attachments: Here's what I got for going solar_ a rate hike from FPL _ Opinion.pdf; Many without power as rain, wind hit Florida.pdf; John Oliver explains utility scandals _ Energy and Policy Institute.pdf; Lawsuits allege FPL rates create 'excessive' returns for utility.pdf; As heavy rain approaches, South Floridians are already losing power. Here's what to expect_.pdf; How a Florida Power Project Flew Under the Regulatory Radar - The New York Times.pdf; Florida Power & Light plant ranks 'dirty,' but company disputes claim.pdf; How your electric bill is funding anti-climate lobbying _ Grist.pdf; Panhandle's anger over FPL may have helped spur DeSantis veto of anti-solar bill.pdf

Good morning,

Please place the attached email in Docket No. 20210015.

Hannah E. Branum
Executive Assistant to Commissioner Clark
Florida Public Service Commission
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From: Beatrice Balboa <beatricebalboa@gmail.com>
Sent: Saturday, June 11, 2022 5:25 PM
To: Office of Chairman Fay <Commissioner.Fay@psc.state.fl.us>; Office of Commissioner Clark <Commissioner.Clark@psc.state.fl.us>; Office of Commissioner Graham <Commissioner.Graham@PSC.STATE.FL.US>; Office of Commissioner La Rosa <Commissioner.LaRosa@psc.state.fl.us>; Office of Commissioner Passidomo <Commissioner.Passidomo@psc.state.fl.us>
Subject: ongoing electrical utility industrial sector machinations

Saturday 11 June 2022 1730 hours

Florida Public Service Commission

To whom it may concern,

I am writing to express my ongoing deepest disappointment that the electrical utility industrial sector continues to mismanage the electrical infrastructure throughout the State of Florida despite given unfettered access to elected and appointed government officials and agencies in the furtherance of policies and agendas in pursuing poorly thought out sourcing of energy resources and a decidedly anti-consumer stance with the rate-paying public across the board. Ongoing investigations continue undercover the long-standing practices by these captains of industry to extract ever larger fees and electrical rates to aggrandize their oversized ambitions by direct and indirect political arrangements in backrooms.

The attached documentation clearly indicates the lengths that the electrical utility industrial sector continues to pursue to ensure their monolithic position in the electricity sector in the State of Florida.

Please place these observations and articles in the appropriate docket to underscore the overwhelmingly calculated cold-hearted manner that these captains seem to influence the very elected/appointed representatives that should, instead, be seeking to comfort their constituents day-to-day hardships to pay for the aggrandizement of these out sized economic sectors.

Thank you for your time in these matters and hope to hear from you soon.

Sincerely,
Beatrice Balboa
1010 South Ocean Boulevard, Unit 1008
Pompano Beach, FL 33062-6631
USA

SunSentinel

As heavy rain approaches, South Floridians are already losing power. Here’s what to expect.

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As heavy rain approaches, South Floridians are already losing power. Here’s what to expect.

John McCall/South Florida Sun-Sentinel/TNS

Shira Moolten, South Florida Sun-Sentinel

June 3, 2022 · 2 min read

Thousands of South Floridians have already lost power as the storm forecast to become Tropical Storm Alex unleashes heavy rain across the region. In the coming hours, flooding, gusting winds, and even potential tornadoes could create further outages.

Florida Power & Light, which provides power to more than 12 million people around the state, was making its final preparations on Friday morning to respond to outages over the course of the storm, positioning crews and equipment where they might be most needed. As to the likelihood of an outage, the company couldn't provide specifics.

"We anticipate that customers will lose power, but I can't say when, and I can't say where, and I can't say for how long," said Bill Orlove, a spokesperson for FPL. "But I can say our crews are dedicated to work for however long it takes to get the lights back on."

As of Friday afternoon, Miami-Dade was coping with over 1,100 outages, Broward with over 300 outages, and Palm Beach County with 7, though the numbers kept fluctuating. As rain keeps pouring and wind speeds rise, they may increase. But FPL also will be working throughout the storm to restore power, as long as winds stay below 35 mph, when it becomes unsafe for the company to send crews out.

Trees could present the biggest threat to power. An oversaturated ground combined with strong winds may cause trees to blow over, damaging and downing power lines. Such was the case with Hurricane Irma, where trees were the No. 1 cause of outages. Since then, FPL has made efforts to move some lines underground.

Anyone who is not a crewmember or first responder should stay off the roads.

“Sometimes people like to go out and be tourists and see what the damage is and what it looks like, and they start to go on the roads and areas that could possibly be flooded,” Orlove said. “I’m saying not to go out, and heed warnings of emergency preparedness from county officials.”

Wednesday marked the beginning of hurricane season in Florida, and many are seeing this storm as a practice run for worse power outages in coming months. Amelia Smith, a spokesperson for Florida's Office of Emergency Management, encouraged everyone to start having their seven days of supplies on hand.

"It's just something we as Floridians have to deal with," she said.

FPL uses smart grid technology to locate outages, meaning customers don't need to call them if they're experiencing one. Instead, they can go to FPL.com/powertracker to look at a map with real-time information on outages, and download the FPL app to check the status of power restoration.

Why FPL's 'clean' power plants are ranked in report among top carbon producers

Hannah Morse
Palm Beach Post

On the outskirts of Wellington, just before 20-Mile Bend, stands a behemoth of a power plant on a site as big as 166 football fields.

The West County Energy Center, first serving Florida Power & Light customers in 2009 before reaching its current capacity two years later, is a natural gas-burning plant.

The plant is part of a fleet of new-era power generators often cited by the state's largest utility as jewels in its transition to modern, clean energy. With these facilities, FPL replaced inefficient 20th-century coal plants and weaned itself off foreign imported oil.

So it's particularly jarring to have seen the facility land on a list of polluting electric plants that included plenty of old-school coal power plants.

More: Solar advocates push for last-minute changes to net metering bills

Solar center: FPL blows up its last coal-fired power plant; announces plans for its newest solar center

Electric bill goes up: Your next Florida Power & Light electric bill is going way up. Here is why and how much

FPL bristled at the inclusion of its power plants on the list by the website Find Energy, which aggregates and analyzes finalized government data on electricity companies. But the inclusion raises a complex but important question as 21st-century energy policy grapples with ways to further reduce carbon emissions as a climate-change doomsday clock continues to tick-tock.

Namely, how "clean" can, or should, an energy system be to make inroads in tackling climate change as the urgency heightens?

FPL: Plant has "best available" and "most advanced" emission controls

The West County Energy Center uses three combined-cycle generating units that burn natural gas in a turbine much like a jet engine and in turn uses that exhaust to make a second power source of steam. In all, the center produces enough electricity for 750,000 homes and businesses.

According to FPL, the plant also has "the best available and most advanced emission-control equipment."

Yet great amounts of power come at a price.

This particular power plant ranked in the top third, along with coal-powered plants, in the list of 100 power plants across the country that belched out the most carbon dioxide in 2020, according to the report by Find Energy.

Carbon dioxide is the main greenhouse gas emitted by human activities, according to the Environmental Protection Agency, and electricity production accounts for 25% of the greenhouse gases emitted in the United States in 2019.

That's not where the story ends, however, or the whole picture.

While the West County Energy Center ranked 29th on this list for emitting more than 7.3 billion kilograms of carbon dioxide in 2020, equivalent to emissions from nearly 1.6 million passenger cars, FPL is also correct when it says the facility is among the most efficient power plants in the country.

In 2020, the plant generated 19.7 million megawatt hours of energy and had an emissions rate of 371.3 kilograms of carbon dioxide per megawatt hour. In comparison, the top carbon-emitting plant on the list is a coal-powered one in Missouri that produced 16.5 million megawatt hours of energy but emitted almost 1,009 kilograms of carbon dioxide per megawatt hour — less energy, but more emissions.

Data shows FPL plant is highly efficient compared to others

In other words, FPL's gas-fired plant produced almost 20% more power but with a third of the emissions as the coal-powered plant. As such, it would seem the FPL plants inclusion on the list is unfair.

Still, plants with high emissions are going to draw attention in the overall effort to cut down on greenhouse gas, experts say.

In seeking ways to reduce carbon dioxide pollution — particularly to address federal emissions goals that aim to stem the effects of climate change — it’s natural to look at the high-emitting plants to find “opportunities for efficiencies,” said Dalia Patino-Echeverri, an associate professor at Duke University’s Nicholas School of the Environment, who studies public policy design for energy systems.

“Once we realize the large emitters are large emitters because they’re providing service of great magnitude, and we look at it and we see it’s so efficient, we have our answer,” Patino-Echeverri said. “You always have to keep in mind what matters most is the rate (of efficiency).”

She likened it to comparing emissions from a personal car used once a week and a city bus that takes many trips.

“Do you need this bus to transport this many people, and do you need it to be this large?” she asked hypothetically. “You need this large power plant.”

Still, there could be some benefit for consumers to be cognizant of a plant’s overall emissions, if it’s not the only factor being considered, she said.

“Maybe we should double down on energy-efficiency measures. From a public perception, maybe there is value in highlighting where our emissions come from,” Patino-Echeverri said.

Knowing this may inspire consumers to seek out energy-efficient solutions in their own homes — like LED lighting, efficient air conditioners or improving insulation — and be more aware of the electricity they use, how they use it and perhaps use less.

Find Energy, experts laud FPL for use of natural gas

Burning natural gas results in about half of the carbon dioxide emissions of burning coal, which also releases harmful metals and gases into the environment.

“The fact that (West County Energy Center is) using natural gas is a plus,” Matt Hope, chief operating officer of Find Energy, said in recognizing that the report factors in a plant’s efficiency, but doesn’t focus on it. “The negative is the immense amount of megawatts, but it’s a need for the community. At least it’s not coal.”

The intent of the report was to “highlight coal and the negative of coal” and offer information that may be pertinent to those who live near the plants, Hope said. He added that carbon dioxide is emitted from burning natural gas, which is a fossil fuel, and is “being created whether they’re scrubbing or storing it.”

The Find Energy report relied on data that is submitted by power companies to the U.S. Energy Information Administration. The list consists of 83 coal-powered plants, 16 natural gas plants and one plant that uses petroleum coke as its primary fuel type.

Four other FPL natural gas plants also made the list, but are still ranked among the most efficient in terms of emissions per megawatt hour of energy produced.

“The companies that are doing the right thing still have those kinds of plants in their portfolio, specifically coal, but they’re working toward other alternatives,” Hope said.

Added Patino-Echeverri: “The No. 1 factor to reduce greenhouse gases is the transition from coal to gas. This plant has been part of the solution.”

FPL blasts Find Energy report

An FPL spokesman, nonetheless, took issue with the Find Energy report citing concerns over a general legal disclaimer on the website and the use of a “misleading” statistic of overall emissions rather than the emissions rate.

The company provided The Palm Beach Post with 2019 data on emissions and energy production at power plants, including its own, which was in line with the source of the 2020 data used by Find Energy.

“We are consistently one of the cleanest electric utilities in the country,” FPL spokesman Chris McGrath said. “We are investing in clean energy because it’s the right thing to do for our customers. It’s the right thing to do for our state.”

Indeed, Find Energy also named NextEra Energy, FPL’s parent company, as one of the top renewable energy producers in the country, with another one of its subsidiaries, NextEra Energy Resources, running solar and wind projects across the country.

Maggie Shober, research director with the Southern Alliance for Clean Energy, agreed that the report shows just one of many ways to look at emissions. But Shober said a “missed opportunity” is not factoring in methane emissions associated with the leaking of natural gas, from the production of the fuel to its use.

Methane is 25 times stronger at trapping heat than carbon dioxide, according to the EPA. While the report contemplates the impact of fracking and transporting natural gas, it is not quantified.

“What we don’t think about is gas has to be brought up from the earth. That is a fairly energy-intensive process in and of itself. There are emissions associated with the electricity that’s used to frack that gas as well as the local pollution issues,” she said. “If we’re trying to look all in, there’s a whole lot to consider upstream from just the burning of the fuel.”

FPL touts its 'gas guzzler' to 'hybrid' modernization strategy

FPL’s McGrath said the Find Energy report also doesn’t tell the company’s whole “modernization story.”

Two decades ago, the company was using more than 40 million barrels of oil, the most of any electric utility, McGrath said. But in the years that followed, FPL would loosen the grip of its dependence on oil-powered plants, including demolishing a 1960s-era Riviera Beach oil plant, with its memorable red-and-white smokestacks, and rebuilding it in 2014 as a natural gas plant.

“We took a 1960s-gas guzzling Cadillac and we replaced it with a Ford Focus hybrid,” McGrath said.

The company bought an independently owned coal-powered plant in Indiantown in 2016 with the intent to close it, which occurred last summer.

Today, FPL said, two-thirds of its power comes from natural gas, followed by nearly 20% nuclear, 4% solar and almost 3% coal, which comes from a plant NextEra partially owns out of state. One-tenth of 1 percent of the power comes from oil.

FPL is currently “modernizing” its plant in Dania Beach, expecting the new gas plant to come online this year, but doesn’t anticipate building a new natural gas-powered plant in its 10-year outlook.

Overall, McGrath said the modernization improvements have made their plants 30% more efficient, saved customers more than $11 billion in fuel and kept 165 million tons of carbon dioxide from being emitted in the atmosphere.

The company is making renewable energy investments, including:

- Building 30 million solar power panels by the year 2025, a goal anticipated to be met five years earlier than planned, and paid for by ratepayers. The company anticipates the panels will be able to generate 11,657 megawatts.
- Pairing solar energy centers with battery storage, including the world’s largest battery in Manatee County.

Developing a green hydrogen plant on the site of the former Indiantown coal plant.

Analyst: Utilities 'doing their part,' urgency of the moment requires more

Patino-Echeverri said the utility industry as a whole is making strides to make its plants more efficient. Switching from oil or coal to natural gas is a “very important step, but that’s not enough,” she said, adding that carbon capture, utilization and storage technology must be considerations to further reduce emissions.

“I think they are doing their part. It’s also up to us to push them more. There’s no time and it’s urgent,” she said.

While some of the actions taken by FPL tick the boxes to reduce emissions, more can be done, Shober said. “I think we see in the trend overall nationally is we’re not moving fast enough toward these cleaner sources as we clearly need to,” she said.

While the transition to natural gas has reduced emissions that would otherwise come from oil or gas, and installing utility-scale solar is an important step, “getting to zero emissions takes a lot more than that,” she said.

Just as well, such a reliance on natural gas leaves consumers susceptible to the volatility of gas prices. Just in December, the Public Service Commission approved a request from FPL to recover costs from customers due to a 10% increase in natural gas prices.

Adding more rooftop solar is one way to cut down on emissions and make the grid more resilient, Shober said. But advocates fear that a FPL-drafted bill to rewrite the state’s net metering rules will slowly chip away at the main financial incentive for homeowners and businesses to go solar.

Another factor is promoting energy efficiency at the consumer level, Shober said. FPL argued that it is more cost-effective to build a power plant than to invest in energy-efficiency programs because building codes and energy-efficiency standards in consumer products have improved.

Too, FPL has not set a goal to reduce its emissions to zero because “we believe in setting measurable and achievable goals,” McGrath said. NextEra’s CEO called net-zero emission targets “disingenuous” without plans to get to “real zero,” according to reports.

It’s a tough, and expensive, goal to achieve, Patino-Echeverri said.

“There are reasons to prefer alternatives that are not fossil-fuel intensive. At the same time, getting to 100% elimination of greenhouse gas emissions for the energy sector is very hard to do with just renewables. We may need some portion of our energy to still come from fossil fuels, because there are industrial processes that are hard to electrify," she said. "There has to be a transition."

FPL lauds its reliability and maintains it has the lowest electricity rates in the country. McGrath added that the company's move toward cleaner energy sources is a "march, not a sprint."

"We are committed to being as clean as we can as fast as we can without sacrificing reliability or affordability," McGrath said.

FPL’s power play: My electric bill shot up 178% in a month | Opinion

Sara Ann Conkling Guest columnist

Florida Power & Light has just successfully raised my electric bill by 178%.

Last month, my net kilowatt usage was negative; I sent power to FPL’s grid. This was similar to what happened the month before. My electric bill, in one month, has increased from $10.76 to $29.90.

A couple of years ago, I put a solar system on my roof to control my electric bills, so that I could hopefully afford to age in my house. There are many months each year that I produce more electricity than I use, and a few months where I use more than I produce. I was already paying a $10.76 fee to be connected to FPL’s grid — a fee I paid whether I was a net user of their kilowatts or not.

Under FPL’s new rate structure, which was approved unanimously by the Public Service Commission, I must pay for the equivalent of 239 kilowatts of electricity each month, whether I use it or not. The new rate structure is thus a disincentive to conservation. If I must pay for 239 kilowatts each month, why wouldn’t I make sure I use it?

The even bigger immorality of this increase is that it is economically adverse only to people who use very little electricity. Those who use 240 kilowatts or more see no increase at all in their bills from FPL. The poor, who use very little electricity because that is what they can afford, are suffering an increase in their electric bill of up to 178%.

This increase was also targeted at snowbirds, who abandon their Florida homes for months at a time. FPL is squeezing them for more money, too. But if snowbirds are wealthy enough to afford a second home in Florida, it’s unlikely the increase will be a hardship for them.

More: Fire fee hike hits lower income households harder than rich, FLORIDA TODAY found

More: Photos: EnergyWhiz at UCF's Florida Solar Energy Center

Those who have invested in rooftop solar, like myself, are almost certainly suffering an increase. We are people who care passionately about our planet. We want to decrease our carbon footprint and our electric bills. FPL just made sure we are paying almost three times as much for our decision to be environmentally responsible. It says something about FPL that they target a huge increase at those who care deeply about our planet.

I'm also appalled that we apparently don't seem to have one single member of the Public Service Commission who is appalled by a huge utility bill increase affecting poor people. The Public Service Commission is supposed to protect the public from huge utility bill increases. It thus appears that poor people don't matter to them. Or something else matters to them a lot more than keeping electricity affordable for the poor. There's no moral justification for approving the structure of this rate increase for FPL when it could have been just as easily visited on much larger consumers of electrical power.

I am a native Floridian, and I have been in Brevard County long enough to witness the change from majority Democrat to majority Republican that has occurred in our county over many years. Up until several years ago, my personal experience was that you could rally representatives from both parties around a good idea and find a way to get it implemented. Everyone at the table was concerned about the poor, wanting to help and not hurt them. What has happened to our state, to our monopoly utility provider, to our leadership? How did it become OK to shift costs from the rich to the poor? Where are the good people from both parties who used to keep that from happening?

And this is not just happening at the state level. The Brevard County fire fee's structure ensures that the poor subsidize the rich. The water fee structure that was added to tax bills in Cocoa a couple of years ago raises costs for water for modest homes. These are just two examples.

Electricity, fire protection, and water are necessities. Especially when there is a monopoly provider of something that we all need, we need both institutional morality in structuring fees, and moral regulation. And we apparently don't have either anymore.

Sara Ann Conkling has written and edited for a variety of local and national publications. She heads the Cocoa High School Fresh Market, a nonprofit that provides healthy food for hungry schoolkids.

How a Florida Power Project Flew Under the Regulatory Radar

The state's biggest utility is building a 176-mile line that may be unsuitable or even unneeded. Its design minimized scrutiny. Critics see a pattern.

By Ivan Penn

May 31, 2022

TALLAHASSEE, Fla. — As Florida Power & Light described it, the plan seemed sound: a 176-mile transmission line allowing the utility to better handle peak electricity demand.

Such projects can take a decade to get from proposal to completion. This one was different. The company cut the time to about two years, seemingly a promising sign in the push to strengthen America's energy infrastructure to distribute more solar and wind power and help wean the nation from fossil fuels.

What's more, according to expert testimony presented by the utility, the line would reduce the need for new power plants — and ultimately provide $1.5 billion in savings — by connecting two parts of a recently merged operation.

But to others, the effort was a sly end run that avoided consideration of whether the project was needed at all. Ratepayers will be billed hundreds of millions of dollars for a project that state utility regulators never reviewed. Without the review, homeowners whose land was needed could not mount much of a fight.

Florida Power & Light paid nearly $100 million to another major utility, Duke Energy, to settle a complaint with federal regulators that the transmission project would burden its own system and cost its customers millions. And consumer watchdogs contend that the way was cleared by regulators and legislators, whom Florida Power & Light and its parent company have showered with campaign contributions and lobbying attention.

The shortcut that Florida Power & Light took was to limit the voltage on the line — to 161 kilovolts rather than 230 — putting it under a threshold that would have required extensive regulatory scrutiny. Instead, approval and funding for the line were tucked into the utility's case for a rate increase, an outcome that a state official installed by the Legislature to represent consumer interests — a longtime lobbyist whose clients included an organization backed by utilities — was involved in negotiating.

The company said the line, scheduled to be completed in June, was more cost-effective for its customers than alternatives. The lower voltage, however, means the line loses energy over long distances without expensive equipment to support it, particularly in times of high demand.

"In any normal utility review, you would wonder why anyone would choose a line with much higher losses," said Robert McCullough, the principal of McCullough Research, an energy consulting firm in Portland, Ore. "It costs a lot of money."

To many of the utility's critics, the project is the latest action by the company to skirt rules and increase electricity rates. For example, it has built virtually all of its solar facilities at a scale small enough to avoid regulatory review that could, among other things, force the utility to shut down older fossil-fuel plants that are no longer needed.

"The whole energy policy dynamic in Florida has alienated the public interest," said E. Leon Jacobs Jr., a former chairman of the Florida Public Service Commission who was elected president of the Southern Alliance for Clean Energy, a nonprofit environmental organization, in September 2020. "There absolutely were issues and challenges that should have been made in regard to that transmission line."

The project will be funded in part by a $692 million increase in customers' rates in 2022 — part of $4.9 billion in cumulative rate increases over four years that the Public Service Commission approved long after Mr. Jacobs's departure. Because of the line's voltage, the project's design and suitability did not require more detailed reviews by the commission and other state agencies.

Transmission data collected by the U.S. Department of Energy highlights how unusual 161-kilovolt lines are, particularly over long distances. Just 3 percent of all transmission lines in the country are 161 kilovolts, and they average five miles in length, said Mr. McCullough, who reviewed the data.

The Public Service Commission, responsible for ensuring that utility investments are prudent and avoid economic waste, declined to comment about the transmission line, its funding or Florida Power & Light's practices, noting that the rate case could be appealed.

The company said it had met its legal and regulatory requirements.

“To be blunt, this type of criticism is misguided and demonstrates a fundamental lack of understanding of how the regulatory process works,” said David Reuter, a spokesman for NextEra Energy, which owns the utility. “The unanimous F.P.S.C. decision on FPL’s rate case is the culmination of the customary, transparent, nearly yearlong public process of reviewing and setting new electric base rates.”

Richard Gentry, who was named the state’s top consumer advocate early last year after long working as a lobbyist for tobacco, alcohol, horse racing, manufacturing and other industries, said his office had no authority to question a low-voltage transmission project.

Mr. Gentry did, however, take part in negotiations regarding the rate case that included the transmission project. The approved rate increase includes a return for the utility that is among the highest in the country and valued at as much as $1 billion more than the state’s two other investor-owned utilities (Duke Energy and Tampa Electric).

Mr. Gentry said it seemed appropriate because Florida Power & Light was trying to connect its main operations, on the state’s peninsula, with those of the company it bought, in the Florida Panhandle.

“Is this a reasonable expenditure of funds? We said, ‘Yes,’” said Mr. Gentry, whose lobbying clients included a nonprofit organization backed by utilities that he said had required him to register as a lobbyist for it even though he had done no formal lobbying. “We did not know the intricacies of it. Our jurisdiction is not nearly that broad.”

But Mike Jacobs, a senior analyst for the Union of Concerned Scientists, said it was the responsibility of regulators and consumer representatives to review any projects that affected consumers and were included in customer rates.

“The supervision of the utility company investments lands at the Public Service Commission,” Mr. Jacobs said. “The agency exists for exactly this kind of purpose. How did the transmission line get in the settlement?”

Alissa Jean Schafer, research and communications manager at the Energy and Policy Institute, a watchdog organization that promotes renewable energy, said part of the trouble was a reluctance by Florida officials to scrutinize Florida Power & Light because of its political influence.

NextEra Energy, which operates one of the world’s largest renewable-energy businesses, has played an outsize role in Florida. Its campaign contributions and lobbying prowess have made it a juggernaut in state politics and regulatory matters.

“Instead of regulating utilities in any rigorous way, the P.S.C. has, for over a decade, offered a consistent bureaucratic rubber stamp,” according to a report by the Brown University Climate and Development Lab that sharply criticized the commission. “Advocates argue that this has, in effect, allowed Florida utilities to abuse their power as regulated monopolies.”

Florida Power & Light spent more than $190 million on “certain civil, political and related activities” from 2015 through 2019, according an analysis by the Energy and Policy Institute of documents filed with the Federal Energy Regulatory Commission. That was more than twice as much as Duke Energy at just over $92 million.

“Whether we’re talking about control of the P.S.C., the Legislature or even down to the local city level,” Ms. Schafer said, “with Florida Power & Light, time and time again we see this track record of them doing whatever they feel they need to do to protect their monopoly.”

As the project reaches fruition, its impact will show up beyond ratepayers’ bills. It can be seen in Berlinda Morrison’s backyard.

Ms. Morrison has spent her life in a predominantly African American community near Tallahassee. Ms. Morrison, who barely made minimum wage in a state job, managed to buy seven acres in her deeply wooded neighborhood to enjoy in retirement — until bulldozers ripped up her land for Florida Power & Light’s towering electrical transmission lines.

“We didn’t want the power lines coming through our land,” Ms. Morrison said. “There was nothing we could do.”

Florida Power & Light doesn’t even provide electricity service for Ms. Morrison or her community, but the utility erected its transmission towers on her property anyway.

On property along Interstate 10 just east of Tallahassee, Ms. Morrison retired to a single-family home across the street from her mother’s house in Monticello. Like most of the homes along quiet Thompson Valley Road, Ms. Morrison’s sits on a lot with tall trees shading the property.

Most residents in the neighborhood have little but the land they own. Now Ms. Morrison and her neighbors wonder what that is even worth with the high-voltage power lines rising over their rooftops and disrupting their lives.

Construction of the transmission project on Berlinda Morrison's property last fall. Audra Melton for The New York Times

At first, Ms. Morrison said, Florida Power & Light offered her $10,000 to $25,000 for building the transmission towers on more than an acre of her property. Then her lawyer helped get a confidential settlement from the utility to help pay off her mortgage, which had 15 years left on it. The amount was confidential as part of the agreement, but she said she had owed less than $150,000.

“There were curses and blessings,” Ms. Morrison said. “Our county commissioners didn’t do anything.”

Gene Hall, chairman of the Jefferson County Board of County Commissioners, said there was little they could do. The commission held public hearings, but in the end, Florida Power & Light had eminent-domain authority. So the commission got what it could from the utility, including $1 million that would help fund projects like parks and recreation improvement and $1 million a year in tax revenue from the transmission line’s right of way and operations in the county.

“We found out that it could be a win-win for us and for them,” Mr. Hall said. “They let us know that they were strengthening the power lines and the distribution lines for when the Category 3, 4, 5 hurricanes come.”

Florida Power & Light did not explain, though, that the power line was not typical for the kind of project the utility was building, Mr. Hall said.

The unusual voltage led Duke Energy to file a complaint with the Federal Energy Regulatory Commission, saying its customers faced $222 million in direct costs. Duke said its settlement with Florida Power & Light had resolved the problems created by the low-voltage line, but it would not give details because of confidentiality.

George Hamrick, senior vice president and chief transmission officer at Duke Energy, said in an interview before the settlement that because the 161-kilovolt line lacked capacity for the potential load — like a highway with congestion that leads drivers to take other roads — “the additional power flow will cause overloads on some of our segments.”

As a result, he said, Duke will have to upgrade its equipment alongside some of Florida Power & Light’s new lines, potentially adding to the frustrations of residents like Ms. Morrison. Florida Power & Light called the settlement “an appropriate outcome for both parties.”

Beyond Florida’s borders, industry experts say, the disjointed approach to the electric grid makes it difficult to tie together regional grids into a broader system for the nation’s energy transition.

“We have 120 years of crazy regulatory practice in electricity and natural gas,” Mr. McCullough said. “There will be a day when someone will ask why they have just an extension cord there instead of the appropriate transmission line, because none of this makes good economics or engineering sense.”

Meet the group lobbying against climate regulations — using your utility bill

The federal government is considering a rule change that would make it harder for utility companies to recover trade association dues.

Justin Sullivan / Getty Images

Nick Tabor

Published	Jun 07, 2022
Topic	Climate + Regulation

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A typical electricity bill leaves the customer with the sense that she knows exactly what she's paying for. It might show how many kilowatts of power her household has used, the costs of generating that electricity and delivering it, and the amount that goes to taxes. But these bills can hide as much as they reveal: They don't indicate how much of the customer's money is being used to build new power plants, for example, or to pay the CEO's salary. They also don't show how much of the bill goes toward political activity — things like lobbying expenses, or litigation against pollution controls.

Most U.S. utility bills also fail to specify that they're collecting dues payments for trade associations. These organizations try to shape laws in electric and gas companies' favor, in addition to more quotidian functions like coordinating regulatory compliance. On any given billing statement, these charges may only add up to pennies. By collecting them from tens of millions of households, however, trade associations have built up enormous budgets that translate to powerful political operations.

The Edison Electric Institute, an association that counts all of the country's investor-owned electric utilities as its members, is the power industry's main representative before Congress. With an annual budget of over $90 million, Edison is perhaps the largest beneficiary of the dues-collection baked into utility bills. In recent years, it's attracted attention for its national campaign against rooftop solar panels, and for its role in the legal fight against the Obama administration's Clean Power Plan.

Within the next year or two, however, this financial model could come to an end. The Federal Energy Regulatory Commission, or FERC, the top government agency overseeing the utility industry, is considering a rule change that would make it harder for companies to recover these costs. While utilities are already nominally barred from passing lobbying costs along to their customers, consumer advocates and environmental groups argue that much trade association activity that isn't technically "lobbying" under the IRS's definition is still political in nature — and that households are being unfairly charged for it.

Emily Fisher, Edison's general counsel, said the organization works with its members to make sure customers aren't held responsible for the portion of the budget that goes toward lobbying. Advocates counter that this is essentially an honor system, because often regulators don't have time to look closely at how Edison's revenue is being spent. Instead, the advocates want these costs to be non-recoverable by default. They say the burden should be on utilities to prove that dues passed on to ratepayers are not going toward prohibited political activity.

Half a dozen liberal senators, including Bernie Sanders, Elizabeth Warren, and Sheldon Whitehouse, are pushing for the change, along with numerous state governments and several hundred advocacy groups.

The argument that has dominated this discussion so far has been about consumers' rights. Ratepayers have been "captive" to the industry, the senators wrote in a joint letter to FERC, and the trade associations use their money to "lobby for policies that frequently run counter to ratepayers' interests." These policies might include the right to build unnecessary power plants (the costs of which get passed on to ratepayers) and to impose extra charges on customers who use solar panels. This is a timely argument, given that millions of households have fallen behind on their utility bills since the pandemic began, and many face the threat of having their power, water, and gas shut off.

"Every penny matters," said Howard Crystal, the legal director of the nonprofit Center for Biological Diversity, who has led the effort to get the billing policy changed.

But there's a second concern motivating many of the advocates — one that supersedes consumers' rights, in terms of its scale and urgency. In their eyes, this policy question is an important front in the battle against climate change. "The reality of our world today is that utility companies are principally fossil fuel companies," Crystal said.

While the electric industry has made huge investments in renewable energy over the past 15 years, it still depends on coal and gas for roughly 61 percent of the energy it generates. In a 2021 report, the Sierra Club looked at the 50 utilities most invested in fossil fuels and found that they only planned to retire a quarter of their coal generation by 2030. Edison and other trade groups have played a role in resisting a speedier transition. They have fought for utilities' rights to build more gas-fired power plants, pressed for more lenient rules on air emissions, and engaged in public-relations campaigns to defend the industry's relatively slow adoption of renewables. For these reasons, Crystal and others hope this rule change will be a step toward diminishing the trade associations' power.

An installer carries a solar panel to a residential roof in Boulder, Colorado, in March 2009. The Edison Electric Institute has attracted attention for its national campaign against rooftop solar panels. *John Moore / Getty Images*

Edison has influence over almost every American household, but still keeps a low enough profile to avoid being a household name. For almost as long as there's been an electricity industry, the institute has been a fixture in American politics; it was born in 1885 as the National Electric Light Association. As Richard Rudolph and Scott Ridley document in their 1986 book *Power Struggle*, the organization dropped its original name in the mid-1930s, when the Federal Trade Commission exposed a propaganda campaign the association had waged to maintain private control over electricity generation (instead of having publicly-owned co-ops take on the job). The organization took on its current name to associate itself with the revered, recently deceased Thomas Edison.

Edison found itself in the news for a second time in the early 1980s, when the public was on edge about spiking electricity rates and nuclear safety (following the meltdown of a nuclear power reactor in Pennsylvania). Many states had rules saying that utility companies couldn't bill customers for their political activities, but no one was looking closely at their books to actually enforce these rules. State regulators launched an investigation into the industry's finances and estimated that utilities were charging customers more than $10 million a year (the equivalent of $26 million now), in violation of the laws of most states, for the lobbying expenses of Edison alone. Edison claimed that only 2 percent of its budget went to lobbying, but the regulators believed it was as high as 35 percent.

Read Next

Is your electric utility blocking climate action?

Joseph Winters

In response, at least a dozen states took additional measures to stop this practice. The National Association of Regulatory Utility Commissioners, a group of state regulators that goes by the abbreviation NARUC, also began auditing the utilities every year, trying to sort out exactly how they were spending their money.

Much of Edison's work in these years was odious to environmentalists. It lobbied against emission controls designed to reduce acid rain, for instance, and sponsored a 1991 ad campaign meant to discredit climate science. ("Who told you the earth was warming … Chicken Little?" asked one representative ad.) Nevertheless, Fisher, Edison's current general counsel, said the audits never led to any charges being disallowed from reimbursement. In the mid-2000s, they abruptly ceased. NARUC did not respond to Grist's request for an explanation, but Fisher said the organization had come to see them as "a lot of work for no benefit."

Some regulators, however, did see benefit in the audits. Karl R. Rábago, an electric utility industry consultant, said that when he was a regulator in Texas in the 1990s, he found them immensely helpful.

"The audit called out the things that were more in the area of political and regulatory speech, as well as technical lobbying," he said. As a result, "the utilities didn't even ask" to recover costs like these that didn't qualify as recoverable under the law — so there was no need for further regulation to disallow them.

The audits typically found that somewhere around half of Edison's expenses went toward activity that many people would interpret as political. The 2006 audit, for instance, showed that 56.88 percent of the organization's spending was for legislative advocacy, legislative policy research, regulatory advocacy, and regulatory policy research. (Edison has countered that being involved in regulatory decisions is simply one of its core functions, one that's "essential" to the operations of its members.)

David Pomerantz, an industry watchdog who directs the San Francisco-based Energy and Policy Institute, suggested a different reason for the end of the audits: the influence Edison has exerted on NARUC. He noted that it sponsors NARUC's annual conferences, paying for cocktail hours and helping to select speakers.

NARUC did not respond to Grist's requests for comment. Brain Reil, Edison's spokesperson, said sponsoring these conferences is a routine matter for Edison. "NARUC conferences are valuable policy discussion forums," he wrote in an email, "and like most big meetings, no one organization is able to front the entire cost."

In 2017, Pomerantz and his colleagues were the first to publish research based on Edison's tax filings, and their work illuminates a few trends in Edison's finances in recent years. For one, Edison's own estimates of how it spends on political activity are far lower than 50 percent. It said in a recent statement that only 14.3 percent of its dues revenue from last year went toward lobbying. Also, since the audits ceased, the budget has steadily grown from $68 million in 2004 to $90 million in 2019. This increase has been funded directly by ratepayers: Edison's yearly revenue from membership dues increased from $54.5 million in 2004 to $76.3 million in 2018. (State records also bear this out: Florida Power & Light, for example, recovered about $1.45 million in Edison dues from ratepayers in 2008, but it was on track to recover more than $2.45 million in 2018.)

The tax records also give clues about how the money is spent. The largest share goes to personnel, including hefty salaries for Edison's executives. Tom Kuhn, the association's president, saw his compensation increase from $1.2 million in 2004 to $5.5 million in 2018, making him one of the highest paid executives of any trade association. Other executives have also received massive raises. In exchange for this largesse, one of the benefits Edison gets is an extensive network of political connections. For example, one of its current vice presidents, Brian Wolff, was previously Nancy Pelosi's political director and the head of the Democratic Congressional Campaign Committee.

Edison officials don't deny the electricity industry's blemished history on matters of climate. But Fisher argues that over the last two decades the industry has seen "an evolution in terms of how we think about ourselves," and has become far more environmentally conscious. "We are on a consistent downward trajectory in terms of emissions levels," she said, adding that much of the group's political activity reflects this, such as its advocacy for the clean-energy provisions in the Build Back Better Act.

There's no question that the industry is shifting toward renewables. Electric utilities have retired hundreds of aging coal plants since 2010, and in 2020 the U.S. produced more electricity from renewable sources than it did from coal for the first time in history. At the same time, it's clear that private utilities want to be allowed to make that transition on their own timeline and their own terms, in ways that ensure the best returns for their investors. It seems one of Edison's priorities is protecting its members' right to do this.

In addition to its formal lobbying, it's important to understand Edison's role in coordinating and advising the political work that individual utilities take on. One example of this centers on the Obama administration's Clean Power Plan. The plan called for reducing the carbon emissions from electricity generation by a third come 2030, and it aimed to achieve this by assigning each state its own target. Edison lobbied for a delay in implementation and for lighter regulations on coal. When the final version was released, Kuhn, Edison's vice president, announced qualified support, thanking the administration for the "significant outreach" it had done with the industry.

At the same time, however, Edison helped back a legal fight against the new rules by serving as conduit for its members to donate to the Utility Air Regulatory Group, or UARG, an organization that was created to oppose the Clean Power Plan. It collected $7.7 million in donations for the organization, and it lent its accounting services to UARG as well. In the end, the legal challenges succeeded, causing the plan to be delayed until then-President Donald Trump's Environmental Protection Agency administrator, Scott Pruitt, announced plans to scrap it in 2017.* (In the end, the objectives of the Clean Power Plan were achieved even without the regulation, suggesting to some environmentalists that its goals had been too modest all along.)

Edison has also coached its members on running lobbying campaigns at the state level. And since 2012 it has been quarterbacking a campaign against rooftop solar panels, knowing its members stand to lose profits as customers generate more of their own power. With guidance from the trade association, individual utilities have lobbied their state legislatures to pass laws making rooftop solar installation less attractive to consumers. A main target of their opposition has been net metering, the rule that lets customers sell excess power back to utilities at retail price, which is a popular way of offsetting the cost of installing solar panels. Utility companies have pushed to lower the caps on how much energy residents can be reimbursed for, and they've also urged state legislators to impose fixed charges on residents who use solar panels.

Edison's argument, which is often repeated by its members, is that net metering lets solar customers freeload on the power grid, forcing residents without solar panels to cover all the operational costs. "It's not like we just eat those costs," Fisher said. "Those get re-allocated to everybody else." She added that the expense of installing solar panels means that this shifting cost burden falls disproportionately on less affluent customers. But the significance of this "cost shift" has been debated heavily. A comprehensive study, conducted by a U.S. Department of Energy lab in 2017, determined that the effects on the bills of non-solar customers were "negligible," and that other factors — particularly capital projects by utilities (which customers can be forced to pay for) — have much larger effects.

Nevertheless, the industry's efforts in this area have paid off. As of last year, more than 20 states had either put major restrictions on net-metering benefits or imposed additional charges on solar users.

Edison has also resisted climate and environmental regulations in other ways. In years past it has argued for a more flexible interpretation of airborne pollutant standards, and last year it pushed to have natural gas included under any "clean energy" standard passed by Congress. Edison has also donated to organizations that are well known for their opposition to climate regulation, such as the U.S. Chamber of Commerce, the American Legislative Exchange Council, and the State Policy Network.

Smoke rises from a coal-fired power plant in Romeoville, Illinois, on February 1, 2019. Hundreds of coal plants have shuttered since 2010, but utilities continue to fight to reduce emissions on their own timeline and their own terms. *Scott Olson / Getty Images*

It was the 2017 report by Pomerantz and his colleagues at the Energy and Policy Institute that inspired the current push for a federal policy change. Then, last year, the Center for Biological Diversity helped instigate a new policy in North Carolina that makes it harder for utilities to charge customers for political expenditures. New York and New Hampshire have also passed similar policies in recent years. In March 2021, the Center for Biological Diversity filed a petition asking FERC to make this kind of change at the federal level. Under the proposal, trade-association dues and other costs would automatically go into an account that customers cannot be billed for. In order to recover that money from ratepayers, utilities would have to make a case that customers benefited from those expenditures.

FERC announced in December that it was taking the matter under consideration. Since then, there's been an outpouring of support. The attorneys general of 11 states have urged FERC to go through with the change, and in Louisiana, Ohio, and California, utility regulators have also submitted comments in its favor. In February, more than 300 third-party groups (among them the Democratic Socialists of America, United Native Americans, and the Small Business Alliance) also signed on to a letter of support. The next update from FERC is likely to come in the fall or winter.

There's no telling which way the five-member commission will rule. Two members, Allison Clements and Mark Christie, have so far said it's at least important to consider tightening up the policies. A third, James Danly, objected to taking up the matter at all, saying that he feared the inquiry would "result in burdening protected expressive conduct." Four of the current commissioners were nominated by former President Donald Trump, but it's not clear that the votes will fall along party lines. As Pomerantz notes, the argument that customers shouldn't be forced to pay these dues can as easily be made from conservative or libertarian principles as from liberal or leftist ones.

If the rule change does go through, the question becomes how much it will matter. Utility companies could certainly afford to pay their dues to Edison out of other coffers — for instance, the ones that go toward shareholder dividends or compensation for executives. But as the Center for Biological Diversity's Crystal points out, they would be forced to decide whether it was worth the cost, when that money could instead go toward salaries, returns for shareholders, or other expenses.

Pomerantz also noted that trade associations don't represent the totality of utility companies' lobbying. Whereas groups like Edison have a large presence in Washington, D.C., companies do most of their own lobbying at the state level. To the extent that customers are funding this activity, some of it can only be addressed by state governments. Still, Pomerantz is eagerly waiting for the commission's decision.

John Oliver explains utility scandals

Last Week Tonight explains how utilities harm customers and the climate, with little accountability due to influence over regulators.

 David Pomerantz • May 16, 2022

John Oliver exposed a mainstream audience to the ways that failed utility regulation often result in higher monthly bills, political corruption and environmental damage on *Last Week Tonight,* his weekly late-night show on HBO.

John Oliver takes on monopoly utilities

After explaining how monopoly utilities make money from capital expenditures and influence often-captured regulators, Oliver toured some of the scandals that have beset the industry in recent years, from FirstEnergy corrupting Ohio's political system with $60 million in dark money payments and millions more in admitted bribes of its top regulator, to PG&E's causing more than one fire per day during a three-year period due in part to the company's poor maintenance of its equipment.

The segment had racked up over 900,000 views on YouTube as of this morning.

Here's more context on some of the scandals that Oliver discussed from the Energy and Policy Institute's archives:

Southeastern utility boondoggles

Oliver explained two power plant boondoggles from the Southeast: the never-built V.C. Summer nuclear plant in South Carolina, and the similarly abandoned Kemper coal and carbon-capture in Mississippi, run by SCANA (now owned by Dominion Energy) and Mississippi Power (Southern Company), respectively.

Both boondoggles were enabled by the utilities' influence over legislators, which led to the passage of laws that allowed the companies to offload the risk of speculative projects onto customers. The utilities also worked to install and sway pliant regulators at the Public Utility Commissions in those states. Public backlashes in both places have led to greater regulatory scrutiny of the companies since the scandals.

Learn more:

- Charleston Post and Courier: Power Failure: How utilities across the U.S. changed the rules to make big bets with your money
- Charleston Post and Courier: Golf, Beaches and Power: how utilities wine and dine the public officials that set your rates

Duke Energy's attacks on any solar it doesn't own

Borrowing footage from Jonathan Scott’s documentary *Power Trip*, Oliver explained how monopoly utilities around the country have attacked policies that enable customers to own their own rooftop solar panels.

Oliver cited one example from North Carolina, where Duke Energy took legal action against a church to stop it from generating its own power, claiming that the church was violating a ban on third-party electricity sales that Duke had fought to instill and uphold.

He could have chosen other contemporary examples outside the residential sector. Duke is currently attempting to bar Fort Bragg, a military base in North Carolina, from generating its own solar power as well, despite the Department of Defense’s stated need to increase energy security for the military.

The Duke episode follows a well-worn playbook that the industry has used across the country, coordinated by the trade association for investor-owned utilities, the Edison Electric Institute.

Learn More:

- Citizen Actions Coalition: Duke Energy
- Energy and Policy Institute: Duke Energy
- Energy and Policy Institute: Paying for Utility Politics

The Alabama Public Service Commission

Oliver heaped satire on the elected Alabama Public Service Commission PSC, noting that both Commissioners Twinkle Cavanaugh and Chip Beeker have denied the reality of climate change.

For decades, Southern Company subsidiary Alabama Power has used immense influence over those regulators to extract high rates from Alabama customers and to avoid oversight. From 2014 to 2018, the company reaped over $1 billion in excess profits on top of what it would have earned with industry-average returns on equity, according to an analysis by EPI. Unlike regulators in any other jurisdiction, the Alabama PSC has not subjected the company to a contested rate case with a full discovery process since 1982.

EPI reported last week that Alabama Power has built a war chest of almost $4 million during a year where two of its regulators, Beeker and Jeremy Oden, face re-election.

Learn more:

- Brown Climate and Development Lab: Can State Utility Commissions Lead in the Clean Energy Transition? Lessons from Six States
- WBHM: Alabama Utility Commission To Consider Ban on Recording Meetings
- IEEFA: Public Utility Regulation Without the Public: The Alabama Public Service Commission and Alabama Power

Ohio’s First Energy scandal and Sam Randazzo

The utility scandal that has attracted the most attention in recent years happened in Ohio, where FirstEnergy paid $60 million to Speaker of the Ohio House Larry Householder’s political slush fund in exchange for enacting a new law that provided a $1 billion ratepayer-funded bailout for several nuclear and coal plants owned by a bankrupt FirstEnergy subsidiary. Oliver described how FirstEnergy paid $22 million to its top regulator, Sam Randazzo, in the years prior to Randazzo’s appointment as the chair of the Public Utilities Commission of Ohio. Randazzo resigned shortly after the FBI raided his house, though he has not yet been charged with any crimes. Householder’s trial is set to begin later this year.

Learn More:

- Ohio Capital Journal: former DeWine aide warned governor about utility regulator before the FBI raided his home
- Energy News Network: Eye on Utilities: FirstEnergy continues to play hardball with Consumers’ Counsel and others
- Energy and Policy Institute: 13 FirstEnergy utilities paid $144 million for external affairs to service company involved in Ohio bribery scandal

More Utility Scandals: Florida and beyond

Oliver suggested that viewers “Just google your utility and the word scandal, and the chances are they’ve gotten into some major trouble.”

Anyone doing so would find a plethora of examples. A recent set of cascading scandals comes from Florida, where the monopoly utility Florida Power & Light (FPL) drafted legislation that would have ended a key rooftop solar policy, delivering the bill to the sponsoring legislator alongside a contribution to that legislator’s political action committee a few days later. Florida’s governor Ron DeSantis vetoed the bill, which was deeply unpopular.

Like FirstEnergy, FPL and its parent company NextEra Energy also spent millions on dark-money groups to get the legislators that it wanted. With the Florida Senate hanging in the balance during the 2020 election cycle, FPL and NextEra paid millions of dollars to political consultants who used the money to set up 501(c)(4) “dark-money” organizations. According to records obtained by the Orlando Sentinel, FPL executives, including the CEO, coordinated closely with the consultants. The utility-funded dark-money groups engineered a brazen scheme to siphon votes from Democrats to third-party “ghost candidates” in three of Florida’s 2020 legislative elections, all of which were won by Republicans, two by razor-thin margins.

Lawsuit claims FPL 'manipulated' assets to get maximum profit on new rates

Jim Little
Pensacola News Journal

The legal battle challenging Florida Power & Light's new electric rates got underway earlier this month as two groups fighting the new rate agreement filed their initial arguments.

The Florida Public Service Commission approved a settlement agreement in October that allowed the new FPL rates to go into effect in January. The settlement is being contested in two separate actions before the Florida Supreme Court.

The court merged the two cases earlier this year.

The first challenge is from Floridians Against Increased Rates.

Heading to court: Florida Power and Light rate hike heads to the Supreme Court

17,000 signatures: Pensacola asks Public Service Commission to lower FPL rates, cites 17K-signature petition

FAIR is asking the state's high court to overturn the PSC-approved deal that it says allows FPL billions of dollars in "excessive returns" compared to similar agreements with utilities that were approved at the same time.

"FAIR is asking the court to do what the PSC refused to do — and that is to stop FPL from gouging Florida electric ratepayers," FAIR President Mike Hightower said.

The PSC is the state authority that regulates public utility rates.

A second coalition of groups made up of Florida Rising, the Environmental Confederation of Southwest Florida and the League of United Latin American Citizens of Florida filed a challenge in January.

After the cases were merged, both groups filed their opening arguments April 6.

The coalition argued that the PSC did not conduct the legally required fact-finding when it approved the settlement with FPL that would have justified how the agreement served the public interest.

The new FPL rates approved by the PSC went into effect in January and were met with public outrage in Northwest Florida as customers saw record-high bills thanks to the new rates, plus fuel cost increases and cold temperatures that led to more heating costs.

FPL officials have pointed out the new agreement will lead to lower rates for former Gulf Power customers as they will decrease over the next four years for Northwest Florida customers.

Upset over rates: Escambia County calls on the PSC to hold a town hall in Pensacola on FPL's electric rates

'It is fundamentally unfair': Milton asks state commission to reinvestigate FPL rates

Several Northwest Florida municipalities have sent letters to the PSC calling on the regulatory body to overturn the rate agreement, and Escambia County called on the PSC to hold a town hall in Pensacola about the increased rates.

Hightower said the settlement agreement the PSC approved for FPL was unprecedented.

"It is out of line with other nearly simultaneous increases approved by the Public Service Commission, and it is inconsistent with U.S. Supreme Court decisions on utility rate setting," Hightower said.

In the April 6 filings, both groups note that the agreement allows FPL to have a reserve account, known as a reserve surplus amortization mechanism or RSAM, an accounting tool meant to allow FPL to pay off capital expenses over time.

Both groups said the PSC lacked the statutory authority to approve a settlement with an RSAM.

Both groups said the record before the PSC showed that FPL's reserve was "manipulated" to guarantee the utility the maximum profit allowed under the agreement.

"At its essence, the mechanism is a slush fund, created from thin air by manipulating the remaining service lives of FPL assets to create an artificial surplus," Florida Rising's filing said.

One of the core arguments made by FAIR is that the PSC approved other rate settlements with other utilities at lower levels of "return on equity," essentially the profitability of the utility.

The PSC approved a settlement with Duke Energy at 9.85% return and TECO at 9.95%. Meanwhile, FPL's return rate was 10.6%. The difference adds up to more than $1.6 billion FPL can charge compared to other utilities over the same four-year period, according to FAIR.

The case will likely not be resolved until next year.

The PSC and FPL will file responses in the coming weeks, and then the groups will have an opportunity to file rebuttals.

FAIR has asked that the court hold an oral argument session before issuing a final ruling.

SHOW TRANSCRIPT

Many without power as heavy rain, wind hit South Florida

Updated: 10:40 PM EDT Jun 4, 2022

Taylor Lang

Video above: A look at your latest forecast

Counties in South Florida experienced power outages as Potential Tropical Cyclone One neared and passed through Florida.

Tropical storm watches and warnings were issued for South Florida Saturday by the National Hurricane Center.

Informational: 2022 WPBF 25 First Warning Weather Hurricane Survival Guide

Areas of south Florida experienced heavy rains and flooding starting Friday overnight.

As heavy rains hit Palm Beach County and the Treasure Coast, flooding and wind gusts caused power outages, some of which are still in effect.

WATCH: WPBF 25 Storm Shorts

Recommended

'Baseball's last hero': Roberto Clemente's humanitarian efforts rivaled his MLB success

As of 10:40 p.m., Florida Power & Light is reporting the following power outages in the area:

- Palm Beach County - 12
- Martin County - 0
- St. Lucie County - 2
- Indian River County - 1
- Okeechobee County - 0

For the latest map, click here. To report an outage, call 1-800-468-8243.

The Atlantic hurricane season officially began Tuesday. This is an unusually early start to the storm season but not unprecedented for Florida.

Panhandle’s anger over FPL may have helped spur DeSantis veto of anti-solar bill

For months, the reliably Republican Florida Panhandle community has been revolting against Florida’s largest electric utility.

The bill that was vetoed by Gov. Ron DeSantis would have scaled back how much utility companies must pay to buy excess power from rooftop solar users. Here, a Florida Power & Light solar array is floated into the Blue Lagoon adjacent to Miami International Airport in 2020. [CARL JUSTE | Miami Herald]

By **Mary Ellen Klas** *Times/Herald Tallahassee Bureau*

Published May 10 | Updated May 10

TALLAHASSEE — Gov. Ron DeSantis surprised many in Florida's environmental community when he vetoed Florida Power & Light's priority bill that was intended to reduce rooftop solar expansion in Florida.

Solar advocates said it was a signal the governor had put "energy freedom ahead of monopoly utility profit margins." But in conservative northwest Florida, residents say they deserve some of the credit, as their outrage at FPL and its handling of winter price hikes became a catalyst in the bill's demise.

"We were very happy that the governor was supportive of our request to veto the net metering (bill)," said Pensacola Mayor Grover Robinson at his weekly news conference on May 2. He was referring to HB 741, the legislation that would have scaled back how much utility companies must pay to buy excess power from rooftop solar users.

RELATED: DeSantis vetoes net metering bill opposed by rooftop solar proponents

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For the past four months, the reliably Republican Florida Panhandle community has been doing something very uncharacteristic for conservative voters: It has been revolting against Florida's largest electric utility. And, in a gesture that cuts to the core of the utility giant's expansion goals, some

Pensacola officials want to establish their own municipally run utility.

Three years ago, FPL bought the homegrown electric utility Gulf Power Co. In January, when a rate increase took effect along with rising fuel prices as part of a four-year deal, northwest Florida faced sticker shock.

FPL said that average Gulf Power residential customers who use 1,000 kilowatt hours a month would see their electric bills go from $129.24 to $137.49 in January, but hundreds of people complained on a social media site that the average was much higher. Business owners complained of having bills inexplicably triple. As temperatures dipped below freezing, Panhandle residents who couldn’t afford the increases reported being disconnected, leaving many to seek public assistance. People reported frantically lowering their thermostats, unplugging appliances, and even disconnecting their water heater to avoid the rising meter readings.

Service Commission for a do-over of the rate increase, suggesting they were promised lower bills. An online petition, started by three women from competing political parties, had 10,000 signatures within days.

And Mike Papantonio, a nationally renowned trial lawyer from Pensacola whose firm has fought Big Tobacco, Big Pharma and the chemical industries, personally financed months of television ads blasting the “shameless greed” of FPL and the “dysfunctional failure” of the Public Service Commission, which regulates utilities.

“This is so bad, we’ve had to spend $40-, $50-, $60,000 to get the message out there that something is so upside-down we have to do something about it,” Papantonio told the *Times/Herald* last week.

DeSantis cited “the worst inflation in 40 years” and said he was vetoing the bill because “the state of Florida should not contribute to the financial crunch that our citizens are experiencing.”

Political calculation

Some are convinced the governor's decision to snuff out FPL's priority bill, which had received bipartisan approval from the Republican-controlled Legislature, was a political calculation.

"I have not seen an uproar like this against a utility company in Florida," said Jonathan Webber, deputy director of Florida Conservation Voters, which urged the governor to veto the rooftop solar bill. "The anger over there is real. People are upset at FPL and that is real. So how could it not be a factor in the governor's calculations?"

In hundreds of letters and emails to the governor, residents warned that they wouldn't look kindly on DeSantis siding with the company that touts itself in national ads as "America's best energy value" but had betrayed that claim when it ushered in a four-year rate increase in January.

“The impression we were given is that rates were going to go up a little bit and we would benefit from being part of FPL because rates would be spread over the whole system,’’ said Rick Outzen, Pensacola radio host, publisher of *Inweekly*, Rick’s Blog, and a podcast featuring local news. “That’s not what happened. Our rates went up because of the deal.”

Jerry Couey, a Santa Rosa County activist and Republican, said he considers DeSantis “a wonderful governor who has visited North Florida more in his first term than any other governor.”

But DeSantis “was well on his way to screwing us over,” Couey said. “And I guarantee you, he wouldn’t have got my vote if he had let FPL have its way on this.”

Residual anger at FPL

Outzen said the emergence of the net metering bill was the catalyst that amplified opposition to FPL, but the veto didn’t end it.

“A majority of people had a positive feeling about Gulf Power. It was our utility,” he said of the company founded in 1925 and based in Pensacola. “The president of Gulf Power went on to be president of The Southern Co. You knew people with Gulf Power.

They were in your civic club, your church and on boards and they had a good feeling about them. As FPL started to make the transition and do away with the Gulf Power name, it started to dawn on people it wasn't the same company."

As the residual goodwill for Gulf Power shifted to anger at FPL, "more people were thinking of going to solar and FPL was telling people it wanted to control that," Outzen said.

Robinson, the Pensacola mayor, said FPL's push to reduce its net metering program was the final straw for many residents.

"These are not communities that would normally have gone this direction," he said.

The city has tried to diversify its energy mix to 30 percent renewable "or at least no emission, so people thought it was crazy to even have the net metering discussion," Robinson said.

“Why are we trying to snuff out something we’re trying to get going?” he asked. “If we want people to have solar, we should want as many people as possible. We need industrial solar suppliers, but we also should have the mom-and-pop operators. People felt as if the rug had been pulled out from under them.”

For the state’s largest electric utility, which wrote the initial legislation to reduce net metering, funded a lobbying effort that included direct mail and television ads, and directed $3.2 million in campaign cash to legislators of both parties, the northwest Florida pushback was another black eye in a year of bad public relations.

RELATED: Florida’s largest electric utility conspired against solar power, documents show

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FPL and its chief executive, Eric Silagy, have been under fire for working with operatives tied to a series of “dark money” nonprofits. One of those nonprofits has figured prominently in the Miami-Dade state attorney’s investigation into a scandal involving a “ghost” state Senate candidate in 2020, who was placed on the ballot to dilute support for the incumbent Democrat in the race and ensure Republicans maintained a majority in the state Senate.

FPL blames many factors

FPL says that its problems in northwest Florida were borne by a confluence of unprecedented conditions: The cold weather prompted higher usage, fuel prices are 60 percent higher than projected, and the company uses something called tiered pricing, a new concept to Gulf Power residents.

Florida Power & Light vice president of external affairs and economic development Pam Rauch gave a presentation to the Pensacola City Council on Jan. 26, 2022, as jeers rang out from the crowd, angry that their bills

"We understand how difficult it was for some of our customers in Northwest Florida to receive higher-than-expected power bills at the beginning of the year," FPL spokesperson Chris McGrath said in an email.

He said that "disconnection for nonpayment is and has always been a last resort."

were becoming increasingly unaffordable under the company's four-year plan. [Screenshot, Pensacola City Council]

"We have worked and continue to work with customers to develop payment arrangements and connect them with available financial assistance. Our commitment to serving and supporting all of our customers — including those who live in Northwest Florida — has not and will not change."

Under the tiered pricing program, which is designed to encourage energy efficiency, FPL charges less for customers who use below 1,000 kilowatt hours and more for electric usage over 1,000 kilowatt hours, he said.

It was a change from the flat fee per kilowatt hour charged by Gulf Power, and FPL customers complained it was leading to rate increases of 20 percent to 40 percent.

Robinson and other officials blame FPL for failing to adequately prepare customers for the tiered pricing changes, including confusion over the accurate reading of its meters.

“It was the first time we’ve had it, and it wasn’t adequately explained to residents here,” said Rep. Alex Andrade, a Pensacola Republican.

A Facebook group called “FPL Price Gouging — Northwest Florida” included stories of people staying up until 11:59 p.m. on the last night their meter was to be read so they can take pictures to prove that the amounts they were charged were not matching up with the usage on their bills.

Others described how they found ways to keep their bills below 1,000 kilowatt hours, an exercise often aggravated by the fact that the company’s billing cycle may routinely fluctuate from 28 to 34 days.

Proposal: City could own utility

Although anger over the high winter bills has been tamped down recently as weather has warmed, the outrage surfaced other frustrations with FPL.

Last fall, some northwest Florida residents and Pensacola City Council member Jennifer Brahier began discussing replacing the massive utility with a municipal electric company that would focus on renewable and solar energy.

The electric bills hadn't caught everyone's attention at that point but, when they did, talk of a city-owned utility "went from an outlandish supposition to the talk of the town," Outzen said.

The council held a workshop on Jan. 26 to discuss conducting a feasibility study on creating a municipally run electric company. More than 100 people showed up, many angry at their power bills.

Pensacola resident Candice Lafferty told a Jan. 26, 2022, workshop of the Pensacola City Council that she faced having her children taken away by the state because Florida Power & Light was

Pensacola resident Candice Lafferty, a single mother of three, told the council she couldn't afford the price increases in her electric bill, faced a shut-off notice and worried that if her power was cut off she faced having her children taken away by the state.

"More than half of us have to figure out if we're going to eat or pay the power bill," she said. "I haven't even turned on going to turn her power off after she couldn't afford the unexpected spike in monthly costs. [Screenshot, Pensacola City Council]

my heat or my AC in months, let alone the past couple of weeks, because I know that I don't have enough candles in case my power goes out because I can't pay (my bill.)"

FPL vice president of external affairs and economic development Pam Rauch laid out why the company thought it was a bad idea to conduct a feasibility study to consider becoming a municipally owned utility. And she explained that FPL had a four-year plan to lower the community's electric bills.

"Every year you're going to see your bill drop, and this is just the first year, and we're in the most painful time, but I tell you for certain that we are looking forward to helping to bring lower bills here to northwest Florida," she said, as angry members of the crowd jeered. "... In four years, they will be aligned."

Brahier argued that four years was too long to wait, but she struggled to get the majority of the seven-member city council to agree to launch a study for a city-owned alternative.

As FPL lobbied against the proposal, Brahier pulled the idea from the council's agenda in February.

In April, Robinson announced he wanted to begin negotiations over a new franchise agreement with FPL, a negotiated contract that gives the utility the right to serve customers in the city's jurisdiction, using city right of way for its power poles. In return, the city is paid a fee.

Because Gulf Power had been focused on the sale of the utility to FPL, Pensacola's franchise agreement has not been updated since 2009, and the city now operates on a month-to-month arrangement with the utility.

Now the city hopes to use frustration with FPL to help negotiate new terms in the franchise agreement, such as requiring FPL to put more power lines underground and increase the availability of renewable energy.

Meanwhile, Papantonio has taken aim at the state’s Public Service Commission, which he says has been “captured” by the utilities it regulates because regulators are quietly enticed by the prospect of getting lucrative jobs in the industry.

“They front-end-loaded this whole thing,’’ Papantonio said. “They didn’t need to do this immediately and make us pay for it now, and the (Public Service Commission) should have realized that.”

‘Show some shame’

Papantonio sent a letter asking the Public Service Commission to reconsider the rate increase after his firm was “inundated” with letters and email requests from residents asking his firm to intervene. If the Public Service Commission grants another hearing, he said, his attorneys will be ready to take on FPL.

“It doesn’t get any bigger than tobacco, or the opioid litigation, so we were kind of always across the table from sociopaths that feel like they simply can get away with what they want to get away with, and the reason they can is it’s such a mismatch,” he said.

He says the failed oversight is a sign that the regulatory compact, under which a for-profit electric utility is given a monopoly to provide electricity service in exchange for being regulated by the state, is broken.

Papantonio has launched what he calls a “methodical campaign” to call attention to what he considers dysfunction. It began by highlighting the hypocrisy of the net metering bill and continued with ads highlighting the fact that FPL is owned by NextEra, “one of the biggest energy delivery companies in the world” with $147 billion in assets and $17 billion in profits. He said he will continue cutting new ads.

“What does it take for them to show some shame here and say, ‘I got it wrong?’ " he said.

FPL’s McGrath has said the company is “continuing to work to make electric rates more affordable in Northwest Florida by aligning them with what other FPL customers pay — but this won’t happen overnight.”

He has also said that FPL is “committed to finding a more equitable net metering solution for all Floridians.”

Hold on new legislation?

Andrade, a co-sponsor of the net metering bill and the only Pensacola legislator who voted for it, said that although FPL and the bill sponsors want to return next year with a bill to reduce the solar incentives through net metering, “There might not be an appetite for it.”

For now, many in northwest Florida are celebrating the veto.

“Even though they didn’t have solar panels, they feel like this is a victory for them,” Outzen said.

Couey, the Santa Rosa County activist, however, remains cautious.

“Let’s not forget the governor is probably gonna have four more chances on that same decision if he’s reelected,” Couey said. “So, the jury’s out, and I’m not the only Republican that felt that way.”

***Correction**: This story has been updated to note that Andrade was the only Pensacola legislator who voted for the net metering bill.*

There were six northwest Florida legislators who voted for it and three who voted against it, including the region's two senators and Pensacola Republican Rep. Michelle Salzman.