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BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION

In the Matter of:

DOCKET NO. 20220202-EI

Petition for approval of new clean
energy impact program, a new renewable
energy certificates (REC) buying program,
by Duke Energy Florida, LLC.

PROCEEDINGS: COMMISSION CONFERENCE AGENDA
ITEM NO. 4

COMMISSIONERS
PARTICIPATING: CHAIRMAN ANDREW GILES FAY
COMMISSIONER ART GRAHAM
COMMISSIONER GARY F. CLARK
COMMISSIONER MIKE LA ROSA
COMMISSIONER GABRIELLA PASSIDOMO

DATE: Tuesday, June 13, 2023

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 FAY: All right. Commissioners, next
3 we will move to Item No. 4, which is the other item
4 off of our move staff list this morning.

5 MR. WOOTEN: Item No. 4 -- are you ready?

6 CHAIRMAN FAY: Yes. You are recognized, Mr.
7 Wooten. Go ahead.

8 MR. WOOTEN: Okay. Item -- Item 4 is a
9 petition by Duke Energy Florida for approval of a
10 new renewable energy certificates buying program
11 called the Clean Energy Impact Program.

12 The CEI Program provides residential and
13 commercial customers the option to purchase RECs
14 which have been generated by DEF owned renewable
15 facilities directly from the company which would
16 then be retired by DEF. DEF propose that an annual
17 program summary and program net revenues be
18 included in their fuel clause filings.

19 Staff recommends that DEF's proposed summary
20 should also include reporting requirements that
21 will allow the Commission to monitor the program.
22 Staff recommends that the Commission approve DEF's
23 petition for the Clean Energy Impact Program,
24 including staff's recommended reporting
25 requirements.

1 There were no customer comments received in
2 regards to this docket. Staff is available for any
3 questions.

4 CHAIRMAN FAY: Okay. Great. Thank you, Mr.
5 Wooten.

6 Commissioners, I will take some questions or
7 comments on this item at this time.

8 Commissioner Clark, you are recognized.

9 COMMISSIONER CLARK: Thank you, Mr. Chairman.
10 A couple of comments and observations.

11 I want to thank staff for the work that they
12 did on getting me specifically the information that
13 I needed about the REC program. There are some
14 things in here I really like. I appreciate the
15 work that all of the parties did to bring this into
16 fruition, but the fact that it is going to be going
17 against the fuel clause is a -- is a very positive
18 factor for me in making this decision.

19 But I do have one question regarding the
20 future of RECs. I know this is looking into the
21 crystal ball, but right now, it's my understanding
22 there is no -- the market for RECs is kind of a
23 commercial market until we -- there has been no
24 major movement on the part of federal agencies to
25 use or require any of the RECs to do any offsets as

1 I understand.

2 Suppose that in selling off all of the RECs
3 that the utility currently has associated with the
4 renewable generation, and at some point in time
5 there is a need for some sort of RECs to be used in
6 some sort of government entity program -- I don't
7 know if I am making that clear or not, but is there
8 any consideration given to, okay, we've sold them,
9 now we don't have them, what do we do next?

10 MS. TRIPLETT: Thank, Commissioner Clark.

11 Dianne Triplett for Duke Energy Florida.

12 It's like you are thinking like a lawyer,
13 because that's exactly what I asked, because it was
14 very important to me -- don't say it. I know. I
15 am sorry to offend you, but I have had the same
16 question, because I had a concern about doing
17 something to buying the company and our customers
18 with something that we don't know, the changing
19 landscape, and so that's why we built into the
20 tariff that these are sold annually. It's not a --
21 it wouldn't be a long-term commitment, and at any
22 time, if we see that the landscape is changing --
23 and I am confident that we will know that it's
24 coming, as you see. Think about the recent EPA
25 rules. It comes, and there is lots of time to

1 respond. So we would have the ability to change
2 course and stop selling them through this program
3 to be able to use them in the most effective way if
4 there were a change in the regulations.

5 COMMISSIONER CLARK: Adding on to that, so
6 then what happens to the companies that are -- and
7 I realize this is a risk that they are taking by
8 purchasing these, but I see one individual at the
9 table who is probably very interested in a large
10 share of these, and so what does this do to the
11 company's financial stability when you have to take
12 -- if you have to take those back and you leave of
13 that market void there, that they can't have the
14 RECs that they've committed to, and as I understand
15 that's a major component in part of their financing
16 their capital structure now, is having those --
17 meeting those ESGs that in bankers are requiring
18 now. So how is that going to affect the big market
19 picture?

20 MS. TRIPLETT: So Dianne Triplett again.

21 I will try to start, and then I do have the
22 real expert, Wendi Fleener, Director of Clean
23 Energy, so she can correct me, and I would
24 certainly like to hear from Ms. Eaton as well.

25 But as I see it, when we make a commitment

1 under this program to sell the RECs, there would
2 not be -- we would not be able to come back and
3 call them back for that particular year. So they
4 would have -- they would know that they could use
5 them for their purposes for the particular year
6 that they are purchasing, but it would be more
7 future. They would have to bake in, and I assume
8 that most corporations are doing that, savvy ones
9 thinking, okay, this is my solution now, but I
10 might need to change if the regulations change
11 because this may not be available to offset for,
12 you know, 15, 20 years. It would really only be a
13 year at a time.

14 And again, I think because of the way that
15 these regulations come out, it's not tomorrow you
16 have to start immediately using RECs. There is a
17 process where there is comment periods and lots of
18 interested parties involved. And I think we would
19 have -- we would see that and then be able to
20 change.

21 Would you like to add anything?

22 CHAIRMAN FAY: And, Ms. Eaton, if you want to
23 comment now, you are recognized to do so.

24 MS. EATON: Sure. Thank you. Good morning,
25 Commissioners. My name is Stephanie Eaton. I am

1 here on behalf of Walmart, Inc.

2 Walmart is a very large commercial customer of
3 DEF's, with 72 stores, a distribution center, a
4 fulfillment center and related facilities in their
5 service territory. And because Walmart has
6 established very aggressive and renewable energy
7 goals, those goals started back in 2005. And back
8 in September of 2020, Walmart announced that it
9 would be supplied by 100 percent renewable energy
10 by 2035, and zero emissions from its operations by
11 2040.

12 As a result, Walmart has participated in
13 numerous utility dockets in the United States
14 centered on the creation and use of renewable
15 energy, including SolarTogether and Clean Energy
16 Connection here in Florida.

17 And in light of Walmart's commitments to
18 renewable energy, and the attempt to meet its
19 sustainability goals as a company, Walmart is
20 interested in this program and renewable energy
21 credits, and specifically those renewable energy
22 credits, or RECs that are derived from energy
23 resource facilities within service territories of
24 its electric utility providers such as Duke Energy
25 Florida.

1 And, therefore, Duke's proposed Clean Energy
2 Impact Program would provide the option for Duke's
3 customers to purchase RECs from some of Duke's own
4 renewable resources, and that matches with
5 Walmart's sustainability goals and interest in
6 purchasing local RECs. And so Walmart appreciates
7 the ability to purchase these local RECs, and does
8 support this Clean Energy Impact Program as it's
9 been proposed.

10 We do understand that once the REC is
11 researched that it's purchased for the year.
12 Obviously, if there was some sort of change to that
13 structure for the companies and customers that have
14 opted to purchase those RECs from Duke Energy
15 Florida, we would certainly want there to be some
16 sort of notification of a change, and that sort of
17 thing, but we would expect Duke Energy Florida to
18 provide those customers participating in the
19 program with that sort of notice and opportunities
20 to potentially take service from other renewable
21 energy sources that Duke might have at the time.

22 So that's all of our comments, and we
23 appreciate your time today. Thank you.

24 CHAIRMAN FAY: Great. Thank you, Ms. Eaton.
25 Commissioner La Rosa, you are recognized.

1 COMMISSIONER LA ROSA: Thank you, Chairman.
2 And part of my question was answered by the
3 questioning by Commissioner Clark. So I was
4 curious kind of what the drivers are, and I think I
5 have a better understanding of that.

6 Are there -- are there companies from outside
7 the state of Florida in discussion or, you know,
8 you don't necessarily need to tell me that
9 specifically, but is there motivation from folks
10 outside of the state of Florida looking at your
11 program here? I will maybe stop there.

12 MS. FLEENER: Thank you for the question,
13 Wendi Fleener with Duke Energy.

14 So, Commissioner, I would say, no. So I do
15 think companies, just as Ms. Eaton just kind of
16 mentioned are looking for those RECs that are
17 locally sourced. So, you know, at Duke Energy, we
18 have similar programs we are looking at, but they
19 are all individually state based because we know
20 that's where folks want to have that renewable
21 energy source from.

22 COMMISSIONER LA ROSA: Okay. And then on a
23 residential side, do you anticipate an increase in
24 interest from the residential side of customers,
25 but obviously, with this program is only set aside

1 for 10 percent, but do you anticipate that
2 increasing over time?

3 MS. FLEENER: Yeah. So we do. So we do have
4 the Clean Energy Connection, the community solar
5 program, so we do have that available for our
6 residential customers, but we are -- we've heard
7 from our folks that they want to have a variety of
8 choice and ways to participate. That's a slightly
9 different program. So that's where they have the
10 subscription fee and then the bill credit
11 correlated to the production of the solar
12 facilities. This is a very easy, kind of no
13 long-term commitment, similar to Clean Energy
14 Connection, but it's just a one-line item.

15 And so we do think there is going to be
16 continued interest. We know, from our customers,
17 they want to be -- participate in the clean energy
18 transition. This allows folks with their
19 purchasing through a REC program, either this or
20 CEC, the way to have access to that. They may be a
21 renter. They may not be able to have the capital
22 investment to install solar on their properties, so
23 I do think it will continue to increase.

24 And, you know, for some reason, we do have
25 that flexibility, we worked with that as part of

1 our discussions with staff, that 10 percent. That
2 is a pretty large number of RECs for residential
3 customers, because they actually purchase them in
4 smaller block increments, so a fourth of a REC.
5 But that's something over time we could always
6 adjust.

7 And we do have that fourth quarter of the year
8 that if either group has more interest than the
9 other, we would be able to reallocate the RECs.

10 COMMISSIONER LA ROSA: Thank you.

11 MS. FLEENER: Thank you.

12 CHAIRMAN FAY: Commissioners, other questions?

13 So I have just -- I have a follow-up on the
14 residential program part.

15 I know there is the majority of the allocation
16 being toward nonresidential customers, but I know
17 currently, for example, a Duke customer,
18 residential customer could net meter, they could
19 participate in the Clean Energy Connection Program,
20 and now we have this additional REC process that
21 they could go through.

22 Is there any -- if a customer is just a huge
23 advocate for clean energy and wants to take
24 advantage of every opportunity that's given them,
25 is there any prohibition for a customer that's in

1 one of these other clean energy programs from
2 taking part in purchasing these RECs.

3 MS. FLEENER: So under the Clean Energy Impact
4 Program, we don't have any limitations, though we
5 are encouraging customers to purchase the amount of
6 RECs that would match their annual usage, is how we
7 have it set up for today.

8 CHAIRMAN FAY: On. And then -- oh, go ahead.

9 MS. TRIPLETT: I'm sorry, can I say? I think
10 about net metered customers under the rule, they
11 can put solar that is intended to primarily offset
12 their usage. And so when I think about that, if a
13 customer wanted to do that, plus the Clean Energy
14 Connection, Clean Energy Connection is designed to
15 pay -- again, it's kind of matched to what your
16 usage is. So I think the only way a customer could
17 do net metering Clean Energy Connection, CEI -- I
18 agree with Wendi's answer -- so that they can just
19 buy extra.

20 But the combination of those two would have to
21 be perhaps they have a half shady roof, they can
22 only offset half of their usage, and the other
23 half, they could participate in Clean Energy
24 Connection for that. And if they want to go buy a
25 bunch of RECs because they want do more, then they

1 could buy them through this REC buying program.

2 CHAIRMAN FAY: Okay. Great. Yeah, that --
3 that answers my question.

4 And then for the sign-up for those customers,
5 I mean, I -- I know that that process, from the
6 recommendation, seems to be in the works. If --
7 if, you know, Duke is moved -- if the Commission
8 moves forward with the program as presented, how --
9 how will customers know that this is an opportunity
10 for them to sign up for those who really are
11 actively engaged in -- in adopting renewable
12 programs?

13 MS. FLEENER: Yes, thank you for that
14 question.

15 So we are ready to go, kind of from an
16 implementation standpoint. So we have web pages
17 that are designed. So that's the primary way that
18 folks do find out about our programs. So there
19 will be both a residential and nonresidential
20 business page. So that's kind of Step 1.

21 We also have the billing in place. So for our
22 residential customers, that would be the line item
23 on the bill, as well as for our business customers.
24 So as you guys probably saw in the filing, we have
25 two options there. If they want to do an off-bill,

1 which would be to, you know, wire transfer us the
2 money, they can. Or if they would prefer that on
3 our Duke Energy bill, which we believe is a strong
4 preference, that is ready to go as well.

5 So the website is the first main mechanism.
6 And then we do feel like, for our business
7 customers, we do know, just like Ms. Eaton spoke,
8 that they have a large interest, so we will work
9 with our large account managers, economic
10 development, et cetera, to let folks, our customers
11 know, hey, this program is now available, and we
12 would be able to do so once the program is
13 approved.

14 CHAIRMAN FAY: Okay. Great. Yeah. I mean, I
15 think the options, even with the allocation being
16 what it is as far as the residential notice, I
17 think it's great for customers to be able to do
18 that. I think we've -- we've seen this constant
19 demand for customers to want that and have
20 utilities -- I mean, across the country, not just
21 Florida, respond to that -- that demand from their
22 customers. And I think it, you know, also expands
23 those options so customers may decide, to your
24 point, Ms. Triplett, that there might not be viable
25 options depending on how they are set up to do all

1 three, or a certain two, but at least some that
2 decide, well, maybe I don't want to net meter, but
3 I would like to still be involved in a renewable
4 program, this is a -- I can buy these certificates
5 and this is the way that I can do it I think that's
6 -- that's just an awesome idea to give them that --
7 that option.

8 And the only thing I sort of asked for some
9 mindfulness, or caution from the utility, if the
10 Commission approves this, is I know we are looking
11 at a certain operating cost that then, depending
12 how high it is in the market price for RECs may
13 make the program challenging to be a recurring
14 theme for purchase of those. And I hope that's not
15 the case, but any -- any way that the utility can,
16 within its operation, absorb some of that, or just
17 be mindful of those operating costs for customers
18 to be able to continue, even if that market price
19 of those RECs is not high enough to really make
20 that cap worthwhile for the utility.

21 And so I know that's your normal operating a
22 business, but I just am concerned the idea allowing
23 customers to participate with this, see the market
24 price go down on those RECs, and then there is an
25 adjustment where they can longer participate

1 because financially it's not sound to do so, and I
2 think that's something we just need to pay
3 attention in the future. So thank you again for
4 bringing the program forward.

5 And, Commissioners, I will take any questions
6 before we take up a motion.

7 Commissioner Clark.

8 COMMISSIONER CLARK: Yeah, I have a follow-up.

9 One of the things you said kind of triggered a
10 thought for me. You have, with your billing
11 options, the ability to bill a customer on their
12 monthly bill or basically invoice. Would you, at
13 any point in time, sell the RECs to any nonexisting
14 Duke customer?

15 MS. FLEENER: No. That would be against our
16 best practice to sell them to any non-Duke Energy
17 Florida customer.

18 COMMISSIONER CLARK: Thank you.

19 CHAIRMAN FAY: Great. Any questions,
20 Commissioner Graham or Commissioner Passidomo? No.

21 Okay. With that, Commissioners we will take
22 up a motion on Item No. 4.

23 COMMISSIONER CLARK: Move to approve, Mr.
24 Chairman.

25 COMMISSIONER GRAHAM: Second.

1 CHAIRMAN FAY: Okay. We have a motion and a
2 second to approve staff's recommendation on Item
3 No. 4.

4 All that approve say aye.

5 (Chorus of ayes.)

6 CHAIRMAN FAY: With that, show Item No. 4
7 passes unanimously.

8 Thank you. Thank you.

9 Commissioners, we will readjourn here for
10 Internal Affairs at 10:15. This Agenda Conference
11 is adjourned. Thank you so much.

12 (Agenda item concluded.)

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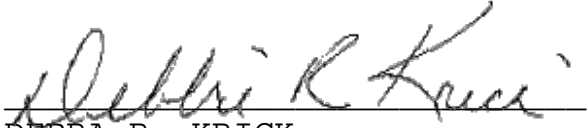
STATE OF FLORIDA)
COUNTY OF LEON)

I, DEBRA KRICK, Court Reporter, do hereby
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IT IS FURTHER CERTIFIED that I
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I FURTHER CERTIFY that I am not a relative,
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DATED this 22nd day of June, 2023.


DEBRA R. KRICK
NOTARY PUBLIC
COMMISSION #HH31926
EXPIRES AUGUST 13, 2024