

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Petition for approval of ) DOCKET NO. 960624-EG  
Green Pricing Research and ) ORDER NO. PSC-97-0528-FOF-EG  
Development Project by Florida ) ISSUED: May 7, 1997  
Power & Light Company. )  
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The following Commissioners participated in the disposition of this matter:

JULIA L. JOHNSON, Chairman  
SUSAN F. CLARK  
J. TERRY DEASON  
JOE GARCIA  
DIANE K. KIESLING

FINAL ORDER APPROVING STIPULATION

BY THE COMMISSION:

By Order No. PSC-95-0691-FOF-EG, issued June 9, 1995, we approved Florida Power & Light Company's (FPL) numeric demand-side management (DSM) goals. This plan contains twenty-six programs, including a Green Pricing Concept program.

On May 17, 1996, FPL filed a request for approval of a two-year Green Pricing Research and Development Project (GPRDP), as part of the Company's DSM plan, and for the recovery of reasonable and prudent program expenditures through the Energy Conservation Cost Recovery Clause (ECCR) clause. FPL's GPRDP is a further refinement to the existing concept program. It reflects projected program costs and additional information developed subsequent to the initial program filing.

The objective of the GPRDP is to test FPL customer response to a Green Pricing initiative. Under the GPRDP, FPL will solicit contributions from its customers to be used to purchase, install, maintain, and operate photovoltaic (PV) modules on FPL's system.

Except in limited applications, PV modules are currently not cost-effective due to high initial costs. However, with voluntary contributions placed into a separate Green Pricing Fund, FPL will acquire PV modules and ancillary interconnection equipment. These modules will be located on one or more sites, such as power plants, substations, and/or other locations throughout FPL's service

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territory. Ultimately, the level of customer contributions will determine the level of FPL investment in PV modules and ancillary equipment.

Initially, FPL will solicit contributions from all classes of customers through bill inserts and direct mail efforts. Inserts will include tear-off coupons identifying various contribution amounts. Based on the response from the initial solicitation, FPL may try additional or alternative solicitation methods. FPL will also solicit the assistance of such interested groups as the Audubon Society, the Sierra Club, the Florida Solar Energy Center, and others to help inform the public about this effort.

Over the two-year trial period, FPL proposes to recover marketing and administrative costs for the pilot effort through the ECCR clause. FPL estimated that the costs for the research project (over and above the level of voluntary contributions made by customers) are as follows:

Marketing Costs	\$250,000
Administrative Costs	\$189,000
Research Costs	<u>\$ 36,000</u>
Total Research Project Costs	\$475,000

The program's administrative costs are subject to review and recovered through the ECCR clause.

Based on the information submitted by FPL, we found that the Green Pricing program would contribute to the commercialization of renewable technologies and may stimulate economic and technological growth in renewable technologies. Therefore, on July 24, 1996, we issued Order No. PSC-96-0955-FOF-EG approving the petition.

On August 14, 1996, the Legal Environmental Assistance Foundation (LEAF) filed a Petition for Hearing in this docket. LEAF's petition disputes the fairness, justness, reasonableness, and prudence of FPL's proposed GPRDP. On March 19, 1997, LEAF and FPL filed a Stipulation and a Joint Motion Requesting Commission Acceptance of the Stipulation. The Stipulation is incorporated in this order as Attachment A.

According to the Stipulation, LEAF agrees to undertake the following actions:

1. Withdraw its request for hearing in this Docket.
2. Support FPL's GPRDP as modified by the stipulation.

According to the stipulation, FPL agrees to undertake the following actions:

1. **Identification of the Project:** FPL will identify the project to its customers, as specifically as possible, including the type, size and location of planned solar PV facilities to be installed as a result of its customers solicitation efforts. FPL commits to construct a least the minimum sized (10kW PV Module, estimated to cost \$70,000) installation if adequate funding is received by December 31, 1997.
2. **Marketing of Project:** In addition to its planned bill stuffer and two direct mailings, FPL will use other appropriate marketing techniques.
3. **Location of Project:** FPL will construct the first project at its Martin site.
4. **FPL Corporate Statement:** FPL will create a corporate statement regarding clean renewable energy sources that it will include, as appropriate, in its marketing material.
5. **Future Conduct Based on R&D Results:**
  - a. FPL will establish criteria for defining the success of the GPRDP. FPL agrees that if the GPRDP meets these criteria, it will file with the Commission for implementation of a Green Pricing Program as part of FPL's DSM plan.
  - b. FPL will consider centrally located, highly visible sites for future installations.
  - c. FPL will adjust its billing system to allow monthly payments/check-off for contributions from customers.

- d. In determining the cost-effectiveness for GPRDP, FPL will consider in its calculations any net benefits from capacity deferral.

The terms of the Stipulation provide that it shall be subject to our jurisdiction and will become null and void in the event it is not approved by this Commission.

The Stipulation provides that it will terminate in the event of the introduction of retail competition in FPL's service territory. FPL believes that if retail competition in the electric industry becomes law in Florida, the statutes of the ECCR clause and FPL's ability to recover costs will become uncertain. Some of the costs of the GPRDP, such as advertising, are paid by all ratepayers. The PV cells are paid for by participants only. Also, in a competitive environment, the placement of PV cells may be different; if the participants pay, the cells may have to be placed where only the participants benefit. FPL's current plan is to place the PV cells where all ratepayers benefit.

The Stipulation states that it shall be effective for a period of four years. This four-year period shall not alter the term set for the GPRDP previously approved in Order No. PSC-96-0955-FOF-EG. Both LEAF and FPL agree that without our approval of an extension of the GPRDP, FPL has no obligation to adhere to the stipulation beyond the program's current two-year term. The GPRDP's two-year administrative cost cap of \$475,000, approved in Order No. PSC-96-0955-FOF-EG, shall not be altered by the Stipulation.

We find that the Stipulation does not alter FPL's objective to test its customers' response to a Green Pricing initiative. Further, we find that the actions required by the Stipulation are intended to and should enhance FPL's GPRDP. We find that the Stipulation is reasonable, therefore we grant the Joint Motion and approve the Stipulation.

Based on the foregoing, it is .

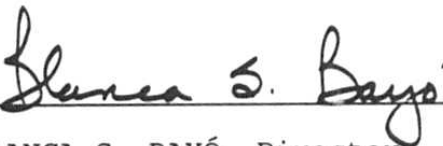
ORDERED by the Florida Public Service Commission that the Joint Motion Requesting Commission Acceptance of the Stipulation filed by Florida Power & Light Company and Legal Environmental Assistance Foundation is granted and the parties' Stipulation is approved. It is further

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ORDERED that the two-year administrative cost cap of \$475,000 on Florida Power & Light Company's Green Pricing Research and Development Project, approved in Order No. PSC-96-0955-FOF-EG, shall not be altered by this Stipulation. It is further

ORDERED that if no party timely files a motion for reconsideration or notice of appeal of this final order pursuant to the "Notice of Further Proceedings" below, this docket shall be closed.

By ORDER of the Florida Public Service Commission, this 7th day of May, 1997.



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BLANCA S. BAYÓ, Director  
Division of Records and Reporting

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NOTICE OF FURTHER PROCEEDINGS OR JUDICIAL REVIEW

The Florida Public Service Commission is required by Section 120.569(1), Florida Statutes, to notify parties of any administrative hearing or judicial review of Commission orders that is available under Sections 120.57 or 120.68, Florida Statutes, as well as the procedures and time limits that apply. This notice should not be construed to mean all requests for an administrative hearing or judicial review will be granted or result in the relief sought.

Any party adversely affected by the Commission's final action in this matter may request: 1) reconsideration of the decision by filing a motion for reconsideration with the Director, Division of Records and Reporting, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, within fifteen (15) days of the issuance of this order in the form prescribed by Rule 25-22.060, Florida Administrative Code; or 2) judicial review by the Florida Supreme Court in the case of an electric, gas or telephone utility or the First District Court of Appeal in the case of a water and/or wastewater utility by filing a notice of appeal with the Director, Division of Records and Reporting and filing a copy of the notice of appeal and the filing fee with the appropriate court. This filing must be completed within thirty (30) days after the issuance of this order, pursuant to Rule 9.110, Florida Rules of Appellate Procedure. The notice of appeal must be in the form specified in Rule 9.900 (a), Florida Rules of Appellate Procedure.

**BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**

**In Re: Petition for Approval of Green Pricing ) Docket No. 960624-EG**  
**Research and Development Project by Florida )**  
**Power & Light Company ) March 19, 1997**

**STIPULATION OF FLORIDA POWER & LIGHT COMPANY AND  
THE LEGAL ENVIRONMENTAL ASSISTANCE FOUNDATION, INC.**

This stipulation is entered into between Florida Power & Light Company ("FPL") and the Legal Environmental Assistance Foundation, Inc. ("LEAF") pursuant to Section 120.57(3), Florida Statutes, for the purpose of an informal disposition of LEAF's request for hearing in Docket No. - 960624-EG. FPL and LEAF wish to avoid the time, expense and uncertainty associated with adversarial litigation in this docket in keeping with the Commission's encouragement to settle disputes. Accordingly, without prejudice as to FPL's or LEAF's position in any other proceeding before this Commission, FPL and LEAF agree and stipulate as follows:

1. In consideration of the actions undertaken by FPL pursuant to this stipulation, LEAF:
  - A. agrees to withdraw its request for hearing in Docket No. 960624-EG, and
  - B. agrees to support FPL's Green Pricing Research and Development Project as modified by FPL's agreement set forth hereinafter.
2. In consideration of the actions undertaken by LEAF pursuant to this agreement, FPL agrees to the following:
  - A. **Identification of project:** FPL will identify to customers, as specifically as possible, the type, size and location of planned solar PV facilities to be installed as a result of its customer solicitation efforts. The minimum size practicable is estimated to be 10kW, and the minimum funding level necessary to construct the facility is estimated

to be \$70,000. FPL commits to construct at least the minimum sized installation if adequate funding is received by December 31, 1997. FPL will build a larger facility if a sufficient increment of additional funds is timely received.


- B. **Marketing of Project:** In addition to its planned bill stuffer and two direct mailings, FPL will use other appropriate marketing techniques as appropriate. FPL will submit its proposed marketing strategy and language to LEAF for its review and suggestions, which will not be binding on FPL. If the final strategies and language are acceptable to LEAF, then LEAF agrees that its name and its support for the project may be used publicly by FPL (subject to final LEAF approval of any references to LEAF in marketing materials).
- C. **Location of Project:** FPL's Martin site.
- D. **FPL Corporate Statement:** FPL will create a corporate statement regarding clean renewable energy sources that it will include, as appropriate, in its marketing materials.
- E. **Future Conduct Based on R&D Results:**
1. FPL will establish criteria for defining the "success" of the R&D project. FPL agrees that if the project meets these criteria, it will file with the Florida Public Service Commission for implementation of a Green Pricing Program as part of FPL's DSM Plan.
  2. FPL will consider centrally located, highly visible sites for future installations.



3. FPL will adjust its billing system to allow monthly payments/check-offs for contributions from customers.
4. In determining the cost-effectiveness for a Green Pricing Program, FPL will consider in its calculations any net benefits from capacity deferral.
4. This stipulation shall become null and void in the event it is not approved by the Florida Public Service Commission.
5. This stipulation may not be modified except by the written mutual consent of LEAF and FPL.
6. This stipulation shall be subject to the jurisdiction of the Florida Public Service Commission.
7. This Agreement shall not continue in effect in the event of the introduction of retail competition in FPL's service territory. Otherwise, the term of this Agreement shall be four years from execution.


DATED: March 19, 1997

**LEGAL ENVIRONMENTAL  
ASSISTANCE FOUNDATION, INC**

  
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**FLORIDA POWER & LIGHT COMPANY**

  
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