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May 17, 1996

By Hand Delivery

Blanca S. Bayó, Director
Records and Reporting
Florida Public Service Commission
4075 Esplanade Way, Room 110
Tallahassee, Florida 32399-0850

Re: Green Pricing

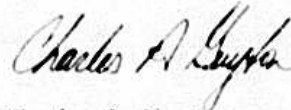
960624-EG

Dear Ms. Bayó:

Enclosed for filing on behalf of Florida Power & Light Company (FPL) are the original and fifteen (15) copies of Florida Power & Light Company's Petition for Approval of Green Pricing Research and Development Project

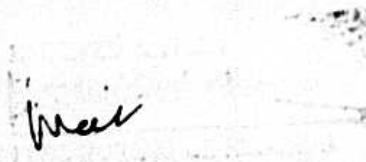
If you or your Staff have any questions regarding this filing, please contact me

Very truly yours,



Charles A. Guyton

CAG/sh
encs
TAL 15418
cc Jack Shreve, Esquire



10004
05522 MAY 17 96
FPC TALLAHASSEE, FLORIDA

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

**In re: Petition of Florida Power
& Light Company For Approval
of Green Pricing Research and
Development Research Project**

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Docket No.

Filed: May 17, 1996

**PETITION FOR APPROVAL OF
FLORIDA POWER & LIGHT COMPANY'S
GREEN PRICING RESEARCH AND DEVELOPMENT PROJECT**

Florida Power & Light Company ("FPL"), pursuant to Section 366.82(2), Florida Statutes (1995) and Commission Order Nos. PSC-94-1313-FOF-EG and PSC-95-0691-FOF-EG, hereby petitions the Florida Public Service Commission ("Commission") to approve the Green Pricing Research and Development Project as part of FPL's Demand Side Management Plan and to allow FPL to recover reasonable and prudent expenditures for administrative costs incurred for the Green Pricing Research and Development Project through FPL's Energy Conservation Cost Recovery ("ECCR") Clause. The grounds for this Petition are:

1. FPL is an investor-owned electric utility regulated by the Commission pursuant to Chapter 366, Florida Statutes. FPL is subject to the Florida Energy Efficiency Conservation Act ("FEECA"), Section 366.80-85, 403.519, Florida Statutes (1995), and its ECCR Clause is subject to the Commission's jurisdiction. FPL is substantially affected thereby.

2. FPL's address is 9250 West Flagler Street, Miami, FL 33174. Correspondence, notices, orders and other documents concerning this Petition should be sent to:

DOCUMENT NUMBER DATE

05522 MAY 17 96

FPC - FLORIDA REPORTING

Charles A. Guyton
Steel Hector & Davis
Suite 601
215 S. Monroe St.
Tallahassee, FL 32301

William G. Walker, III
Vice President, Regulatory Affairs
Florida Power & Light Company
9250 W. Flagler Street
Miami, FL 33174

3. In the final order in Docket No. 930548-EG, the order establishing FPL's conservation goals for the period 1994 through 2003, the Commission ordered FPL to

consider the development of alternate funding sources, such as voluntary "green pricing", to promote the installation of solar water heating and other renewable measures, and submit alternate funding proposals to the Commission during the program development and submittal stage of the conservation goals process.

Order No. PSC-94-1313-FOF-EG.

4. In response to this Commission mandate, FPL filed as part of its DSM Plan a "Green Pricing" concept. The concept was described as a "potential program where customers would agree to make voluntary contributions to FPL so that a greater portion of the energy generated by FPL would be from renewable resources." It was explained as a means of allowing "customers to voluntarily contribute towards the purchase of renewable resources by FPL that would not otherwise be cost-effective for FPL to acquire."

5. In approving FPL's DSM Plan in Docket No. 941170-EG, the Commission stated

Based on the preliminary information submitted in response to Order No. PSC-1313-FOF-EG, issued 10/25/94, FPL's green pricing program appears to adequately address the development of renewable technologies. FPL will purchase photovoltaic modules to be located at powerplants or substations.

We approve the green pricing administrative program costs that are subject to ongoing review in the ECCR clause. These costs should be separately identified as a line item in FPL's ECCR filings. This program contributes toward the commercialization of renewable technologies; also, this program may stimulate economic and technological growth in the field of renewable technologies.

Order No. PSC-95-0691-FOF-EG at 3.

6. By means of this petition FPL seeks Commission approval of a two year Green Pricing Research and Development Project. The objective of the Green Pricing Research and Development Project is to test FPL customer response to a Green Pricing initiative. Under this Project FPL would solicit contributions from FPL customers to be used to purchase, install maintain and operate photovoltaic ("PV") modules on FPL's system. The level of customer contributions would determine the level of FPL investment in PV modules and ancillary equipment. The benefits of the research project would be (1) encouragement of a renewable technology which is not otherwise cost-effective, (2) lowering fuel costs through fuel displacement associated with substituting PV-generated kilowatt hours of electricity for those generated by FPL's fossil units, and (3) allowing customers to knowingly contribute toward potential commercialization of a renewable technology. The Green Pricing Research and Development Project is described in more detail in Appendix A.

5. The Green Pricing Research and Development Project will help advance the policy objectives set forth in Rule 25-17.001, Florida Administrative Code and the FEECA. As shown in Appendix A, the Green Pricing Research and Development Project will encourage investment in a renewable technology that would not otherwise be cost-effective on FPL's system.

6. The Green Pricing Research and Development Project will extend for two years from project approval. At that time FPL should be able to gauge customer response and propose whether to continue Green Pricing as a program. FPL anticipates total research project costs (over and above the level of voluntary contributions made by customers) of \$ 475,000 for the two year project. FPL proposes to recover those costs through its ECCR clause.

7. The Green Pricing Research and Development Project is directly monitorable and will yield measurable results. FPL will record contributions made by customers, track investments in PV

modules and related equipment, keep account of O&M expenses, and track research project costs to be recovered through FPL's ECCR clause. FPL will also measure the energy generated by the PV modules and calculate its fuel displacement benefits. Reports on the project's progress will be filed quarterly with the Commission.

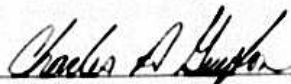
8. FPL is not aware of any disputed issues of material facts. The Green Pricing Research and Development Project should be approved and incorporated into FPL's DSM Plan, and FPL should be authorized to recover through its ECCR clause its reasonable and prudent expenditures for the Green Pricing Research and Development Project.

WHEREFORE, FPL respectfully petitions the Commission to approve FPL's Green Pricing Research and Development Project and allow FPL to recover its reasonable and prudent project expenditures through FPL's ECCR clause.

Respectfully submitted,

STEEL HECTOR & DAVIS LLP
215 S. Monroe St., Suite 601
Tallahassee, Florida 32301-1804

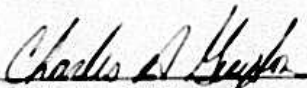
Attorneys for Florida Power
& Light Company

By 
Charles A. Guston

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the Petition For Approval Of Florida Power & Light Company's Green Pricing Research and Development Project was mailed this 17th day of May, 1996 to the following

Jack Shreve, Esquire
Office of Public Counsel
111 West Madison Street
Room 812
Tallahassee, FL 32399-1400



Charles A. Guyton

APPENDIX A
PROJECT DESCRIPTION

GREEN PRICING RESEARCH & DEVELOPMENT PROJECT

I. Background

As part of its Research and Development (R&D) efforts, FPL introduced a concept known as "Green Pricing" in its Demand Side Management Plan, filed on January 31, 1995. The Green Pricing program concept was to allow customers to voluntarily contribute towards the purchase of renewable resources that would otherwise not be cost-effective for FPL to acquire. The revenues collected would be used to purchase, operate, and maintain renewable resources, initially photovoltaic (PV) modules. The level of voluntary contributions would determine the extent to which FPL would invest in renewable resource generation facilities. FPL stated in its filing that there were still unresolved issues regarding its Green Pricing concept and that the schedule then currently envisioned could change.

In Order No. PSC-95-0691-FOF-EG, the Commission found that FPL's green pricing adequately addressed the requirements of Order No. 94-1313-FOF-EG to develop alternate funding sources to promote the installation of renewable technologies. The Commission also approved "the green pricing administrative program costs that are subject to ongoing review in the ECCR clause," finding that the "program" contributes toward

commercialization of renewable technologies and may stimulate economic and technological growth in renewable technologies.

Based on the Commission's approval of FPL's Green Pricing concept in its DSM Plan filing, FPL has moved forward in the development of a Green Pricing R&D project. The refined project described herein reflects additional analysis and information developed since the January 31, 1995 filing of the Green Pricing concept.

II. Project Description

The Green Pricing Research and Development project is designed to allow all customers to make voluntary contributions toward the purchase of renewable resources that would otherwise not be cost-effective for FPL to acquire. FPL customer research, as well as research performed by other interested parties in this subject, indicates that such a program may be desirable to some customers. The company proposes to test the project in the marketplace through this research project effort.

FPL plans to offer this research project for a period of two years beginning in the fourth quarter of 1996. After the two year period, FPL will conduct an evaluation to determine if the continuation of this project is prudent.

The level of customer contributions will determine the extent of the investment in renewable resource generation facilities. The contributions collected from customers will be recorded and placed into a separate account, the Green Pricing

Fund. FPL proposes to use the donations to fund the acquisition , as well as the operation and maintenance costs, of renewable resources, initially photovoltaic (PV) modules, and ancillary inter connection equipment, which will be located at one or more sites such as power plants, substations, and/or other FPL locations throughout FPL's service territory. The PV modules will not be purchased until there are adequate voluntary contribution funds to cover the purchase, installation and operation and maintenance for the PV modules and ancillary equipment.

The research project will benefit both participants and nonparticipants, by lowering energy costs through fuel displacement associated with substituting PV-generated kilowatt hours of electricity for those that would otherwise be generated by FPL's fossil units.

An additional benefit to the participants is that it will allow customers to knowingly and willingly contribute toward the commercialization of renewable technologies, hopefully speeding up their implementation in the market place.

III. Project Administration

Eligibility

All customers will be eligible to contribute to the Green Pricing Fund.

Customer Solicitation

Initially, all customers will be solicited for participation through an electric bill insert requesting donations of varying amounts. The insert will contain a tear-off coupon along with instructions to mail the coupon with their donation, as a separate check, along with their utility payment. Once these donations are received, FPL will record them and credit the Green Pricing Account.

Based on the response received from the initial solicitation, additional or alternative solicitation methods will be attempted. FPL proposes to perform at least 2 additional mailings to targeted customers in an effort to determine the most effective timing and marketing approach. The schedule proposed for the customer solicitations for the research project (assuming Commission approval by the end of the third quarter of 1996) is as follows :

Bill Insert Effort - 4th Quarter of 1996
First Direct Mail Effort - 1st Quarter of 1997
Second Direct Mail Effort - 3rd Quarter of 1997

FPL will also solicit the assistance of interested groups in this such as the Audobon Society, Sierra Club, the Florida Solar Energy Center and others, to help inform the public about this effort.

Based on the results of these solicitations , FPL may perform additional efforts.

PV Vendor Selection

FPL will be issuing a Request for Proposals (RFP) to PV manufacturers, suppliers, etc., which both explains the scope and purpose of FPL's PV initiative and requests proposals from them for the delivery and installation of PV modules and ancillary equipment for inter connection to the grid. FPL will select a PV vendor(s) from the proposals on a competitive basis.

Once the proposals are reviewed and a vendor(s) is selected, FPL will begin placing order(s) as soon as sufficient funding to cover the purchase, installation, and operation and maintenance costs of the PV modules and ancillary equipment has been collected.

At the conclusion of the two year project, if the funds collected are not sufficient to consummate a PV purchase, FPL will attempt to return the contributions to program participants.

Program Budget and Cost Recovery

Contributions and Administrative and Marketing Expenses will be tracked on an on-going basis. FPL proposes to recover its administrative and marketing expenses for this pilot effort through its Energy Conservation Cost Recovery Clause (ECCR).

FPL has estimated its costs for this research project as follows:

Marketing Costs	\$250,000
Administrative Costs	\$189,000
Research Costs	\$ 36,000

Total Research Project Cost	\$475,000

Reports on the pilot program's progress, and findings will be provided on a quarterly basis or as determined by the Commission.

IV. Cost-Effectiveness

At the conclusion of the project, FPL will assess the cost effectiveness of this effort. This will be accomplished by comparing the administrative and marketing costs experienced in the project to the fuel savings achieved and projected through the use of the PV's, as well as the level of contributions raised.