



Southern Alliance for
Clean Energy
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October 20, 2003

Ms. Blanco S. Bayo
 Director
 Division of Commission Clerk and
 Administrative Services
 Florida Public Service Commission
 2540 Shumard Oak Boulevard
 Tallahassee, Florida 32399-0850

Re: Petition of Florida Power & Light Company for Approval of a Green
 Power Pricing Research Project

Dear Ms. Bayo:

I have enclosed the original and eleven (11) copies of the Preliminary
 Comments of Southern Alliance for Clean Energy, Inc. Please send me a file-
 stamped copy of the comments in the enclosed self-addressed envelope.

Sincerely,

James J. Presswood, Jr.
 Staff Attorney

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Enclosures

cc: All Parties of Record and Interested Persons

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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition of Florida Power & Light) Docket No. 030752-EI
Company For Approval of a Green Power)
Pricing Research Project) Filed: October 21, 2003

Preliminary Comments of Southern Alliance for Clean Energy, Inc.

Southern Alliance for Clean Energy, Inc. ("SACE") has the following preliminary comments in the above-styled proceeding.

1. SACE is a nonprofit Tennessee corporation working with citizens for clean air, clean water and healthy communities in the Southeast by advancing energy efficient and sustainable energy policies, promoting clean energy technologies and holding polluters to higher standards. SACE has members throughout the Southeast, including Florida. SACE has offices in the following locations: Knoxville, Tennessee; Atlanta, Georgia; Savannah, Georgia; Asheville, North Carolina; St. Petersburg, Florida.

2. SACE has significant expertise on green power pricing programs. SACE has participated in the development and rollout of programs throughout the Southeast. SACE has also worked in several states with stakeholders to develop criteria that are used by the Center for Resource Solutions ("CRS") to accredit utility green pricing programs. CRS is a well-known and respected independent organization that accredits qualifying green power programs and products throughout the country. SACE, FPL and a number of other stakeholders participated in a process that began in July 2001 to develop CRS green power pricing accreditation criteria for Florida. The Florida criteria have yet to be completed.

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3. SACE commends FPL for its commitment to launch a green power pricing program. SACE does, however, have some concerns about the program described in the Petition for Approval of Florida Power & Light Company's Green Power Pricing Research Project ("Petition").

4. The Petition states that "[t]he Proposed Green Power Pricing Research Project will help achieve the goals of FEECA [Florida Energy Efficiency and Conservation Act] and Commission Rule 25-17.001, Florida Administrative Code." Petition at 6. The goals of FEECA are to increase energy efficiency and conservation within Florida. See F.S. § 366.81. FPL, however, has not committed in its Petition or correspondence with the Commission to obtain green power from sources in Florida except for its promise that "[f]or every 10,000 customers participating in the Project, FPL will either purchase the TRECs [Tradable Renewable Energy Credits] associated with, buy energy directly from or develop 150 kW [kilowatts] of photovoltaic capacity." See Petition, Appendix A at 2. FPL needs to commit to acquiring a far greater amount of in-state green power before it can credibly say that its program will help achieve the goals of FEECA and before the Commission should allow it cost recovery for the program under the Energy Conservation Cost Recovery Clause. Such a commitment would also increase the appeal of its program to potential customers.

5. SACE believes FPL's 10,000 customer target for supporting its first increment of photovoltaic ("PV") capacity is too high. Another Southeast utility, the Tennessee Valley Authority, is already doing much better. TVA has installed approximately 350 kW of PV capacity and has about 7,200 customers. FPL should

lower its target for in-state solar deployment to 150 kW for every 5,000 customers who sign up for the program. While SACE supports FPL's goal of signing up tens of thousands of customers, no other programs in the Southeast have reached the 10,000 customers level, and some programs have been marketed for several years. While it is true that FPL could provide a larger customer base, the interests of FPL customers would be better served with a lower target for supporting the first PV increment and dividing the PV deployment over smaller sign-up numbers. For example, if 150 kW of PV were deployed for every 5,000 customers, FPL could deploy 30 kW for every 1,000 customers. Such a deployment strategy would provide the peak shaving benefits supported by FEECA sooner to the Florida grid and demonstrate the company's commitment to "on-system" renewable generation early in the program. Furthermore, SACE recommends that FPL commit to deploying solar thermal as part of this program. FPL should work with SACE, CRS and the Florida Solar Energy Center ("FSEC") to develop an agreement on the proper method for metering solar thermal hot water heaters. The conversion of Btu heating of water to a comparable kWh value would allow green power customers to support solar technology and would be consistent with the energy consumption reduction goal of FEECA. FPL should also explore the possible deployment of experimental hybrid solar lighting to meet the peak shaving and energy consumption reduction goals of FEECA. This investigation should be done in collaboration with SACE, CRS, FSEC and the U.S. Department of Energy's, Oak Ridge National Laboratory. More information about hybrid solar lighting is available online at <http://www.ornl.gov/hybridlighting/>.

6. The Petition states that FPL will supply the renewable energy for its program by purchasing TRECs, which will initially be “associated with new (after 1998) and existing renewable energy facilities in the Southeastern Electric Reliability Council (SERC) geographic area, Florida and such other geographic areas as FPL and its TREC supplier mutually agree.” Petition, Appendix A at 2-3. SACE supports the use of TRECs. FPL’s purchase of TRECs, however, should be restricted to the SERC geographic area because many potential FPL green power pricing program customers will not see the benefit of purchasing TRECs from a location that is not within a reasonable distance of the FPL service territory. The financial resources for renewable energy development in the Southeast are also limited, so FPL should only support development in the region. FPL also should not purchase renewable energy from existing facilities. A substantial number of customers would sign up for the FPL green power program because they want to help increase the amount of new renewable generation. The appeal of the FPL program would therefore be greatly diminished if FPL purchased renewable energy from existing sources. No generation brought on line before 1998 should therefore be allowed to qualify for the FPL program. The phrase “and existing renewable energy facilities” that is quoted above should be deleted from the Petition.

7. The Petition states that the “[t]racking and verification of TRECs will be consistent with the practices and guidelines of the Center for Resource Solutions (CRS).” Appendix A at 2. FPL thus implicitly recognizes the value of at least a portion of its program being consistent with CRS criteria. SACE recommends that FPL go the

rest of the way by seeking CRS accreditation of its green power program. Several green power programs in the Southeast are either accredited, or are in the process of becoming accredited, by CRS. SACE believes that the CRS accreditation criteria for Florida could be finalized by the end of 2003 if FPL announced its intent to seek CRS accreditation. SACE strongly believes that independent third party oversight and verification would bring credible and added value to FPL's program. The Florida CRS criteria that are being developed would address what constitutes high value renewable energy, provide independent verification and build customer confidence in a product that has few immediately visible attributes. CRS criteria would be supported by many members of the environmental community. The processes for the development and implementation of CRS criteria also provide a forum for stakeholders to work with FPL.

8. The Petition is not specific on what renewable resources could be used to supply FPL's green power program. The type of renewable resources FPL uses will determine the environmental benefits and affect the attractiveness of its program to consumers. If a small sub-set of customers is asked to pay extra, a premium, for renewable energy, they should get a premium product. For example, many potential FPL green power customers would not consider municipal solid waste ("MSW") renewable energy, much less premium renewable energy. Utility voluntary green power pricing programs should not be viewed as a comprehensive approach to supporting renewable energy generation in the state, but more as high value products for a limited number of conscientious customers. The success of such programs is directly tied to the resource mix of the programs.

9. Environmental advocates in Florida have long fought against MSW incineration because of its heavy metal air pollution emissions. SACE and these advocates would strongly oppose an FPL green power program supplied by energy from MSW incineration.

10. SACE supports encouraging the use of waste heat to generate power, but does not consider waste heat renewable energy unless the heat is produced from a renewable fuel.

11. The FPL green power program should not be limited to just residential customers. Similar programs have seen high response rates from commercial customers. FPL should be encouraged to offer its program to all customer classes.

Respectfully submitted this 20th day of October, 2003.



James J. Presswood, Jr.
Staff Attorney
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