

Ruth Nettles

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From: Davis, Steve F - Pierce [Steve.Davis@mosaicco.com]
Sent: Monday, September 17, 2007 3:46 PM
To: Filings@psc.state.fl.us
Subject: Undocketed: Net Metering Post Workshop Comments
Attachments: Davis_Ann Cole.pdf

- A. Steve Davis, Mosaic Fertilizer, PO Box 2000, Mulberry, FL 33860; Tel 863.428.2608; steve.davis@mosaicco.com
- B. Undocketed Matter: Interconnection and Net Metering from Customer-Owned Renewable Generation
- C. Mosaic Fertilizer, LLC
- D. 3 pages
- E. Mosaic Fertilizer, LLC Post Workshop Comments pdf file letter to Commission Clerk Ann Cole

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September 17, 2007

Ms. Ann Cole
Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, FL 32399-0850

Re: Post-Workshop Comments: Interconnection and Net Metering from
Customer-Owned Renewable Generation

Dear Ms. Cole:

Mosaic Fertilizer, LLC respectfully submits the following post-workshop comments to supplement my presentation made at the August 30, 2007 workshop.

Comment 1 – The Commission should not limit its consideration of net metering benefits to apply to small renewable energy systems only.

Mosaic Fertilizer currently operates approximately 300 MW of clean, non-polluting renewable energy generation facilities in Central Florida, and is planning expansion projects that would result in an additional 60 MW of generating capacity. Applying the net metering benefits under consideration for smaller renewable energy producers to Mosaic's renewable energy facilities would protect their economic viability, promote development of future expansions, and provide significant fuel diversity to Florida generation resources. However, current draft rule 25-6.065 only addresses systems up to a maximum Tier 3 capacity of 1 MW, and workshop discussions seemed to be limited to consideration of expanding net metering benefits to approximately 2 MW in order to capture larger scale commercial solar systems. It appears the *Notice of Development of Rulemaking* refers to revisions of "25-6.065: Interconnection of Small Photovoltaic Systems"; then discusses the creation of rule "25-6.066: Net Metering of Customer Owned Renewable Resources". As mentioned in comments below, the existing draft 25-6.065 rule could be implemented for small photovoltaic systems (and possibly other small renewable systems) that operate at relatively low capacity factors; then a separate rule 25-6.066 could be adopted to apply to larger, higher capacity factor systems such as Mosaic's that operate on a 24x7 schedule.

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Comment 2 – The Commission should not limit its consideration of net metering to applications behind a single metering point.

Presentations by Suwannee Farms and Mosaic made it clear that significant economic obstacles faced by large property owners could be addressed by net metering. Dr. Del Bottcher discussed the installation of an anaerobic digestion system at a farm with over 20 individual metering points. Dr. Bottcher's slides showed an example where net metering employed throughout a farm moved the renewable energy system from an economic loss to a profitable venture based on electricity revenues alone. This is a situation very similar to the one presented by Mosaic. Both presentations emphasized the point that using a net metering approach represents no cost to the utility because the same result could be achieved by the customer constructing and maintaining interconnection tie lines. However, these customer-owned tie lines would be an unnecessary economic expense, would duplicate existing utility-owned lines, and would introduce extraneous operational issues that could be avoided through net metering.

Comment 3 – Concerns over customer subsidies could be alleviated by capping payments for excess power exported to the grid at the host utility's avoided cost.

Capping payments for excess power exported to the grid at the host utility's avoided cost would remove incentives to "game" rules that are intended to provide cost effective net metering benefits for Florida electricity consumers who are attempting to lessen their electricity bills by employing renewable energy generation systems.

Comment 4 – Concerns over customer subsidies could be alleviated by balancing renewable energy production & electricity consumption on a more frequent schedule than monthly.

Although more frequent balancing may not be practical for small solar systems, it could be applied to high capacity factor renewable energy producers such as Mosaic that operate on a 24x7 basis.

Comment 5 – Net metering provisions should apply to existing renewable energy facilities, as well as to new or expanded facilities.

Florida Statute 366.92 states, "It is the intent of the Legislature to promote the development of renewable energy; protect the economic viability of Florida's existing renewable energy facilities; ...". As discussed during the presentation, Mosaic has renewable energy generation that currently exports to the grid because the Mosaic minerals sites that were electrically interconnected to these facilities are no longer in operation. Net metering could be employed to replace these out of service Mosaic transmission facilities without the unnecessary and uneconomic duplication of utility-owned transmission assets.

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Comment 6 – Even though it may be beyond the scope of current rulemaking, the Commission should support revisions to the power plant siting act that would allow expansion of renewable energy systems as long as the renewable energy facility exports less than 75 MW to the electricity grid.

Respectfully submitted,

A handwritten signature in cursive script that reads "Steven F. Davis".

Steven F. Davis