

State of Florida



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Public Service Commission

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COMMISSION
CLERK

-M-E-M-O-R-A-N-D-U-M-

DATE: September 4, 2008
TO: Ann Cole, Commission Clerk - PSC, Office of Commission Clerk
FROM: Cindy B. Miller, Senior Attorney, Office of the General Counsel *CM*
RE: Docket file for Docket No. 080503-EI - Establishment of rule on Renewable Portfolio Standard

Please place the attached letter in the docket file.

CM
Attachment

DOCUMENT NUMBER-DATE

08181 SEP-4 08

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Florida Department of Agriculture and Consumer Services
CHARLES H. BRONSON, Commissioner
The Capitol • Tallahassee, FL 32399-0800
www.doacs.state.fl.us

Please Respond to:

September 4, 2008

Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

RE: Docket No. 080503-EI
Establishment of Rule on Renewable Portfolio Standard

Dear Commissioners,

I have been monitoring the PSC's establishment of a draft rule for the creation of a Renewable Portfolio Standard (RPS) for the State of Florida and I wish to offer the following comments.

As a matter of background, in early 2006, I developed our Farm to Fuel Initiative which was subsequently adopted by the Florida Legislature and states in part:

The Department may develop a farm-to-fuel initiative to enhance the market for and promote the production and distribution of renewable energy from Florida-grown crops, agricultural wastes and residues, and other biomass and to enhance the value of agricultural products or expand agribusiness in the state.

The genesis of this initiative was the 25x'25 Vision which states:

By 2025, America's farms, forests and ranches will provide 25 percent of the total energy consumed in the United States, while continuing to produce safe, abundant, and affordable food, feed and fiber.

25x'25 is a diverse alliance of agricultural, forestry, environmental, conservation and other organizations and businesses that are working collaboratively to advance the goal of securing 25 percent of the nation's energy needs from renewable sources by the year 2025. 25x'25 is led by a national steering committee composed of volunteer leaders of which I am a member. The 25x'25 goal has been endorsed by over 750 partners, 30 governors, 14 state legislatures, including Florida, and the U.S. Congress.

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Florida Agriculture and Forest Products
\$97 Billion for Florida's Economy

The State of Florida is poised to be a national leader in the production of clean, renewable energy. In addition to our vast solar resources, Florida has the potential to produce more biomass than any other state in the nation. It is estimated that Florida has the potential to produce 93.5 million dry tons/year of biomass, or roughly 7% of the US total. This coupled with our dependence on fossil fuels makes developing and fulfilling an RFS in the State not only a possibility but a necessity.


Last year, Governor Crist correctly identified Florida's potential when he signed Executive Order 07-027 requiring the PSC to adopt a renewable portfolio standard of 20% by 2020. Although the Florida Legislature, in passing HB 7135, which, among other things, instructs the PSC to adopt rules for a renewable portfolio standard, does not specify a schedule for implementation, the intent was clear that the State should aggressively pursue the production and distribution of renewable energy.

According to the U.S. Department of Energy, there are currently 24 states plus the District of Columbia that have RPS policies in place, with several other having adopted voluntary goals for renewable energy. An analysis of these state standards shows goals ranging from 10-20% by 2015, 11-23% by 2020, 15-25% by 2025. The PSC's draft rule, which begins with 2% by 2010 and does not reach 20% until 2050, is unacceptable if Florida is to adopt a meaningful RPS.

In addition to my concerns about the proposed implementation schedule, I have serious doubts about the proposed rate caps which appear to have been arbitrarily set. Considering the fact that Floridians have seen a 25% increase in electric rates since 2005, due mostly to rising fuel costs, a 1% rate cap (i.e. 0.1 cents per KWh for a typical ratepayer) as an excuse for noncompliance by an investor-owned electric utility is shortsighted and fails to allow for any significant investment in renewable energy projects.

Although I applaud the Public Service Commission's recent actions to promote renewable energy in Florida, particularly the development of meaningful interconnection and net metering rules, it is my hope that the Commission will adopt a renewable portfolio standard that recognizes Florida's great potential for renewable energy and encourages investment within the state.

Sincerely,



CHARLES H. BRONSON
COMMISSIONER OF AGRICULTURE