

State of Florida



Public Service Commission

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TALLAHASSEE, FLORIDA 32399-0850

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

DATE: December 8, 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 No. 080503-EI - Establishment of Rule on Renewable Portfolio Standard

Please place Commissioner Skop's presentation in the docket file.

CM
Attachment

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DOCUMENT NUMBER-DATE

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RPS Implementation Proposal:

Standard Offer Contract Approach

Nathan A. Skop, Esq.

Commissioner

Florida Public Service Commission

Disclaimer

The views and opinions presented herein are strictly those of the presenter and have not been reviewed, endorsed, or approved by the Florida Public Service Commission.

Key Attributes of Plan

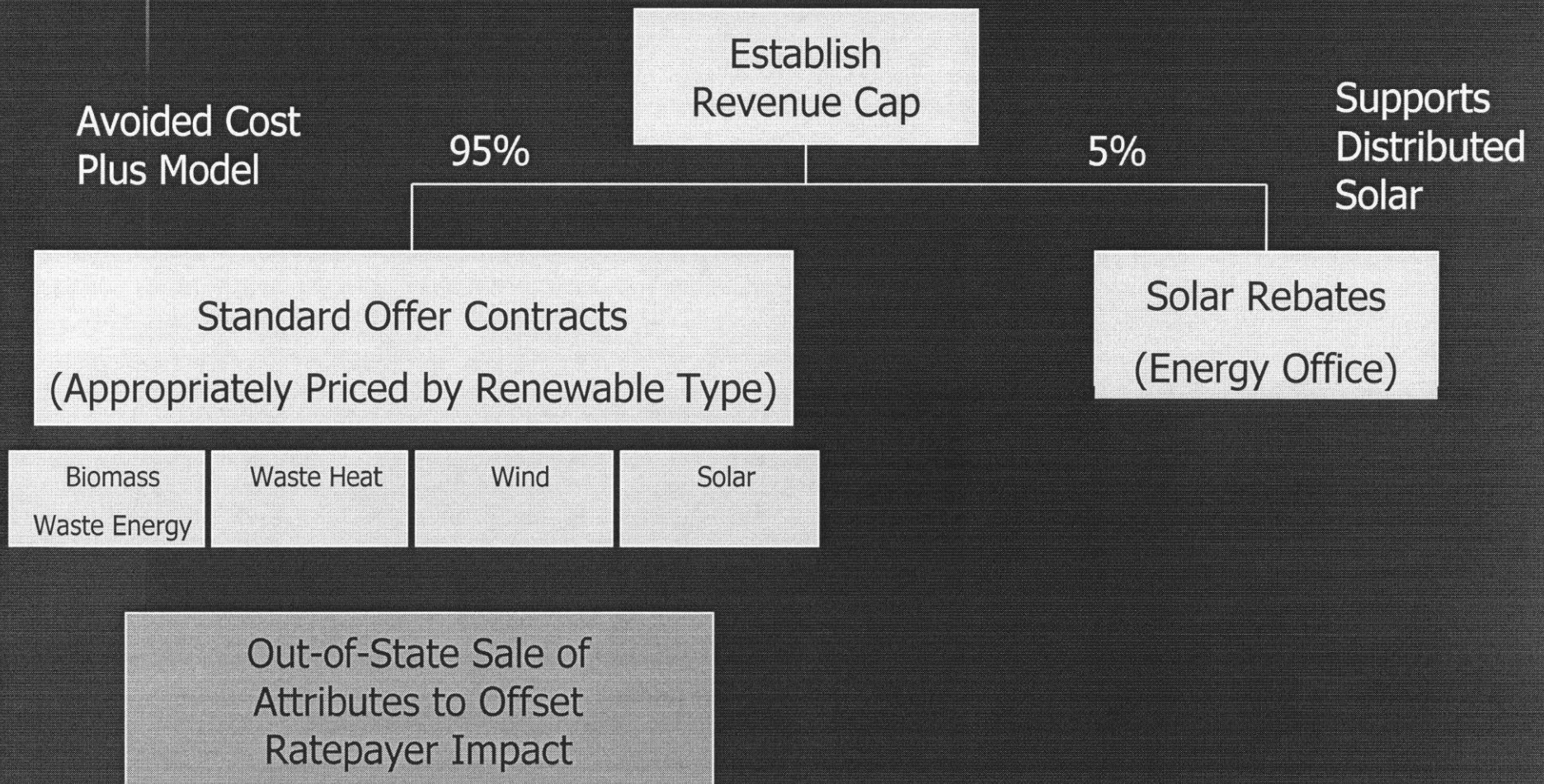
- Implementation Target (20% by 2020)
- Adopts Revenue Cap
- Avoided Cost Plus Model
- Solar Rebates (Residential and Commercial PV)
- Standard Offer Contracts (Utility Self Build Option)
- Utilization of Existing Framework
- Well Understood and Flexible
- Avoids Substantial Delay and Cost Associated Developing Captive Market for Attributes

Implementation Plan

- Implementation Target (20% by 2020)
- Establish Revenue Cap
- Fund Solar Rebates (5% of Revenue Cap)
- Establish Pricing for Standard Offer Contracts
- Energy and Attributes Retained by Utility
- Utility Can Sell Attributes Out-of-State to Offset Ratepayer Impact (attribute not used for compliance)
- Readily Implemented (2010)

Implementation Plan

(graphical representation)



Standard Offer Contracts

- Avoided Cost Plus Model
- Avoided Cost Pricing Indexed to Natural Gas (PG&E SRAC)
- Appropriately Priced by Renewable Type (Plus component)
- Sufficient to Attract Investment (Capital Cost + O&M + ROE)
- Long Term, Stable Revenue Stream (Required for Financing)

Standard Offer Contracts (continued)

- Utility Self Build Option
- Energy and Attributes Retained by Utility
- Utility Can Sell Attributes Out-of-State to Offset Ratepayer Impact (attribute not used for compliance)
- Utilization of Existing Framework
- Well Understood, Flexible, and Adaptable to New Technologies
- Avoids Substantial Delay and Cost Associated Developing Captive Market for Attributes
- Readily Implemented (2010)

Questions