

State of Florida



Public Service Commission

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COMMISSION
CLERK

DATE: March 1, 2012

TO: Office of Commission Clerk (Cole)

FROM: Division of Regulatory Analysis (Clemence, Matthews)
Office of the General Counsel (Harris)

RE: Docket No. 120032-EQ – Petition for approval of post-interconnection study charges to interconnection customer-owned renewable generation by Tampa Electric Company.

AGENDA: 03/13/12 – Regular Agenda – Proposed Agency Action – Interested Persons May Participate

COMMISSIONERS ASSIGNED: All Commissioners

PREHEARING OFFICER: Administrative

CRITICAL DATES: None

SPECIAL INSTRUCTIONS: None

FILE NAME AND LOCATION: S:\PSC\RAD\WP\120032.RCM.DOC

Case Background

On February 14, 2012, Tampa Electric Company (TECO) petitioned the Commission for approval of post-interconnection charges for the interconnection of a solar photovoltaic (PV) facility at the James A. Haley Veterans Hospital. The petition seeks the Commission's approval to charge the James A. Haley Veterans Hospital \$155,200 to cover the cost to upgrade TECO's transmission and distribution facilities impacted by the solar PV installation.

On April 7, 2008, Commission amendments to Rule 25-6.065, Florida Administrative Code (F.A.C), relating to interconnection and net metering of customer-owned renewable

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generation became effective.¹ The purpose of the rule is to promote the development of customer-owned renewable generation up to 2 Megawatts in size, and expedites the interconnection of such generation. In addition, the rule permits customers to offset electric consumption through net metering, further mitigating costs associated with self-generation.

The rule requires each investor-owned utility to file standard interconnection agreements and tariffs for Commission approval. On May 7, 2008, Tampa Electric Company (TECO) filed tariffs as required by the rule. On September 24, 2008, the Commission approved the tariffs filed by TECO.²

The rule defines three tiers of customer-owned renewable generation eligible for expedited interconnection: Tier I -10 kW or less; Tier 2 -greater than 10kW and less than or equal to 100 kW; or Tier 3 -greater than 100 kW and less than or equal to 2 MW. The rule also prohibits installations from exceeding 90 percent of the customer's utility distribution service rating. The rule allows a company to conduct an interconnection study to identify any distribution upgrades that may be necessary for a Tier 3 installation. The study and the necessary upgrades are to be paid by the customer, which ensures that there is no subsidization from other customers. Any costs resulting from the interconnection, identified by the company must be approved by the Commission before being charged to a customer.

The Commission has jurisdiction pursuant to Section 366.91 and Rule 25-6.065, Florida Administrative Code.

¹ See Order No. PSC-08-0161-FOF-EI, issued March 19, 2008, Docket No. 070674-EI, In re: Interconnection and Net Metering of Customer-Owned Renewable Generation.

² See Order No. PSC-08-0624-TRF-EI, issued September 24, 2008, Docket No. 080255-EI, In re: Petition for approval of standard interconnection agreements for expedited interconnection of customer-owned renewable generation and associated net metering tariff, by Tampa Electric Company.

Discussion of Issues

Issue 1: Should TECO be granted approval to recover from the James A. Haley Veterans' Hospital post interconnection study charges to interconnect customer-owned renewable generation?

Recommendation: Yes. Staff recommends that the Commission approve the recovery of costs proposed in the petition by TECO for the post interconnection study charges to interconnect the renewable generation facilities from the James A. Haley Veterans Hospital. (Clemence, Matthews)

Staff Analysis: The James A. Haley Veterans Hospital (Hospital) plans to install up to 4 MW of customer-owned solar photovoltaic renewable generation. The PV installations will be placed on canopies above the hospital's parking lots. This petition seeks recovery approval for charges for the two net metered locations at the Freedom and Liberty parking lots of approximately 1.3 MW. A third installation of approximately 1 MW is being placed on the Romeo parking lot of the Hospital. Unlike the other two systems, this one will be tied into the hospital and will not be net metered. The system includes an interlock relay and will not operate if the Hospital is not receiving power from TECO. This system will be used directly to off-set usage of the Hospital. Given the size of the system and the load of the Hospital, TECO has told staff that there is no realistic scenario where the Hospital would ever have excess generation from this PV facility.

The electrical system for the main hospital has a planned redundancy configuration. There are two main circuits, or "preferred" circuits, and an alternate or "backup" circuit for each. A customer-owned relay switches to the alternate circuit if the main circuit experiences an outage which exceeds a particular pre-determined duration.

It is TECO's understanding that all future upgrades to the system will be at the Romeo lot and tied directly into the hospital to help off-set load and will not be net metered. The petition does not seek the recovery of any costs associated with the Romeo lot. Below is a chart that summarizes the proposed installations.

Location		Size- kW ac
Freedom Parking Lot	Net Metered	587
Liberty Parking Lot	Net Metered	763
Romeo Parking Lot	Tied into Hospital	925

In order for TECO to determine what utility transmission and distribution facilities would be required to install the PV system in the desired configuration, an Interconnection Study was performed by TECO. TECO's petition seeks approval of the costs associated with the upgrades to its distribution system.

Below is a chart that summarizes the charges proposed by TECO. A more detailed list of charges is included as Exhibit A of the petition.

Required Upgrades	Cost
Distribution System Upgrades	\$91,400
Supervisory Control and Data Acquisition System	\$57,900
System Commissioning	\$5,900
Total	\$155,200

Due to restrictions imposed by the rate schedule under which the hospital currently takes service, the distribution service rating at the parking facilities where the PV system will be installed must be increased. If all 4 MW were installed on the hospital, the hospital would be required to take service under standby service tariff. This would increase the cost of electricity to the hospital. To continue taking service under its current tariff, the Hospital has elected to interconnect two of the systems behind the meter of two Hospital parking facilities.

SunPower Corp. has filed a letter in support of the petition. SunPower Corp. is under contract with the Hospital and has requested an invoice from TECO. Further, Sunpower will be responsible for paying for the upgrades per its contract with the Hospital. TECO has stated that the Hospital is aware of these proceedings and does not dispute the proposed charges.

Staff recommends that the Commission approve the recovery of costs proposed in the petition by TECO for the post interconnection study charges to interconnect the renewable generation facilities from the James A. Haley Veterans Hospital. Staff has reviewed the proposed upgrades and costs and recommends them as reasonable.

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Issue 2: Should this docket be closed?

Recommendation: Yes. If no person whose substantial interests are affected files a protest to the Commission's proposed agency action order within 21 days, the docket may be closed upon issuance of a consummating order. (Harris)

Staff Analysis: If no person whose substantial interests are affected files a protest to the Commission's proposed agency action order within 21 days, the docket may be closed upon issuance of a consummating order.