CORRESPONDENCE
AUG 29, 2014
DOCUMENT NO. 04051-14

Angela Charles

From: Betty Leland
Sent: Friday, August 29, 2014 8:25 AM
To: Commissioner Correspondence
Subject: FW: Solar program: Green energy group blasts FPL

Good Morning:

Please place the attached e-mail in docket correspondence consumers and their representatives in Docket No. 140070.

Thanks.

From: danlarson [mailto:danlarson@bellsouth.net]
Sent: Sunday, August 10, 2014 3:54 PM
To: BCC-Allcommissioners@pbcgov.org
Subject: Solar program: Green energy group blasts FPL

FPL does not want solar because they cannot make money off it period. The 20% returns, 20% bonuses, and insane salaries are all they care about. As fpr this program it smells alot like Green Mountain which was the last scam presented to FPL customers and they did not get refunds even when that scam was exposed .....

http://shar.es/1namIB
Florida Power & Light Co.'s proposed green-energy program, which would allow customers to contribute $9 a month for the construction of small solar plants, is a joke and merely a feel-good, green-pricing program, an attorney with the Southern Alliance for Clean Energy said. This message was sent using ShareThis (http://www.sharethis.com)

CORRESPONDENCE
AUG 27, 2014
DOCUMENT NO. 04051-14

Angela Charles

From: Ruth McHargue
Sent: Wednesday, August 27, 2014 2:45 PM
To: Consumer Correspondence
Cc: Diane Hood
Subject: FW: To CLK Docket 140070

Customer correspondence

-----Original Message-----
From: Consumer Contact
Sent: Tuesday, August 26, 2014 2:29 PM
To: Ruth McHargue
Subject: To CLK Docket 140070

Copy on file, see 1157191C. DHood

-----Original Message-----
From: Benjamin Legaspi
Sent: Tuesday, August 26, 2014 8:53 AM
To: Consumer Contact
Subject: FW: My contact

-----Original Message-----
From: contact@psc.state.fl.us [mailto:contact@psc.state.fl.us]
Sent: Monday, August 25, 2014 12:00 PM
To: Webmaster
Cc: viviansoup@gmail.com
Subject: My contact

Contact from a Web user

Contact Information:
Name: Vivian D'Angio
Company: na
Primary Phone: 561-735-0056
Secondary Phone:
Email: viviansoup@gmail.com

Response requested? Yes
CC Sent? Yes

Comments:
Last night I tuned in in time to hear most of the testimony by Solar Vote followed by questions from the Com. to reps for FPL and one to the rep. for Solar Vote. The Com. were attempting to learn in more detail about FPL's proposal to charge their customers $9.00 a month, supposedly to ascertain how many would show their willingness to pay more for solar. If FPL wants to know all they have to do is include an insert in their monthly mailing. What I perceive as the purpose of floating this before the PSC is a public relations gimmick to make it seem as if FPL is truly committed to meeting its corporate responsibility to move ahead with programs to replace fosil fuels with clean energy such as solar. I find it inconceivable that here in Florida where as a result of climate change caused by global warming we now have 10 months of summer, with above normal UV ratings, that FPL has not been among the first major

utility providers to convert to solar. Instead we lag behind many states throughout our nation which do not have so many months of free solar energy. My Husband and I moved to Lake Worth in 1978 and the first thing we did was to put solar panels on the roof of our new home. We shouldn't be asked to subsidize FPL to convince them we want solar ..that fact was made clear by the testimony of the rep. of Solar Vote. I strongly urge the Commissioners to reject FPL's proposal. Please tell FPL we expect them to fulfill their responsibility as an enlightened corporation to take a leadership role to provide all of its customers with clean solar energy as quickly as possible.

CORRESPONDENCE
JUL 31, 2014
DOCUMENT NO. 04051-14

Angela Charles

From:	Office of Commissioner Balbis
Sent:	Thursday, July 31, 2014 11:03 AM
To:	Commissioner Correspondence
Subject:	FW: Vote Solar comments - Docket No. 140070
Attachments:	Vote Solar Comments Docket No. 140070 FPL VSP 6-30-14.pdf

Please place the attachment and email correspondence below in Docket Correspondence of Consumers and their Representatives for Docket No. 140070-EI.

Thank you,
Cristina

From: Hannah Masterjohn [mailto:hannah@votesolar.org]
Sent: Wednesday, July 30, 2014 11:45 PM
To: Office Of Commissioner Graham; Office of Commissioner Brisé; Office Of Commissioner Edgar; Office of Commissioner Balbis; Office of Commissioner Brown; Martha Brown; Records Clerk; john.butler@fpl.com; maria.moncada@fpl.com; ken.hoffman@fpl.com; Charlie Coggeshall; Diana Csank
Subject: Vote Solar comments - Docket No. 140070

Dear Commissioners,

Vote Solar files the attached comments in Docket 140070 regarding the proposed FPL Voluntary Solar Partnership Program.

Sincerely,
Hannah Masterjohn

Hannah Masterjohn | Vote Solar | 607-431-8811 | hannah@votesolar.org

VOTE SOLAR

July 30, 2014

Chairman Graham, Commissioners Balbis, Brisé, Brown, & Edgar
Florida Public Service Commission
2540 Shumard Oak Drive
Tallahassee, Florida 32399

Re: Docket No. 140070

Dear Commissioners:

On April 2, 2014, Florida Power & Light petitioned the Florida Public Service Commission for approval of a three-year Voluntary Solar Partnership (VSP) Program. Vote Solar, a 501c3 non-profit public advocacy organization, would like to offer the following comments to inform the Commission's consideration of FPL's VSP proposal. In summary, while we appreciate FPL's recognition that a new model is necessary to serve customers who want solar energy but can't put it on their own roof, the VSP program as proposed is not a meaningful or appropriate step toward serving those customers in a responsible way. The proposed program falls short in several important ways: it does not allow participants to receive value from their investment; it is too small; and it should provide more customer choice and free-market flexibility. Other utilities are pursing models that deliver on these best practices, and we recommend that the Commission improve the program so that it is more in line with the best interests of Florida's ratepayers.

The Commission can and should draw lessons from community shared solar programs <u>already successfully operating</u> across the country

The vast majority of ratepayers are not able to install solar on their own property. According to the National Renewable Energy Laboratory, approximately 75% of residential housing is not suitable for rooftop solar panels due to shading or other roof characteristics. Add to that the fact that approximately 1/3 of Florida housing units are occupied by renters, who likely don't have the right – or the financial incentive – to install solar, and it's clear that a new model is needed to give these customers the ability to choose solar energy.

Many states and utilities have sought to meet this need through community shared solar, in which customers can sign up for energy from a local solar energy project, and receive credit on their utility bill for their share of the clean energy produced. At least 10 states have passed community shared solar legislation creating a statewide program, at least 20 utilities have developed community shared solar

programs, and many more are in the works. Vote Solar has directly participated in the design and implementation of many of these programs.

The Solar Electric Power Association, a membership association of utility companies, offers this explanation of why community shared solar is "an attractive fit for a growing number of utilities:"[1]

- **It contributes to the utility's reputation as THE leading provider of energy.** Utilities want to maintain a strong tie to their customers, especially those early adopters interested in solar. A utility-managed community solar program accelerates the utility learning curve across the internal utility structure.
- **Solar adds to customer satisfaction and engagement.** Solar is popular with the public and surveys show that most customers want their utility to add solar to the mix. Customers want meaningful choices in energy, and for a segment of the customer base, local solar fills the bill.
- **Solar is a new source of local economic development.** This is especially compelling to electric cooperatives and municipal utilities, which as locally owned utilities, share a strong connection to the community.
- **The opportunity to locate solar where it may have the optimal strategic benefit to the operation of the distribution system.** And to quantify those benefits in real-time.

In reviewing community shared solar programs across the country, the Interstate Renewable Energy Council published the following guiding principles for effective community shared solar programs:[2]

1. Expand renewable energy access to a broader group of energy consumers
2. Produce tangible economic benefits on customers' utility bills
3. Remain flexible enough to account for energy consumers' preferences
4. Be additive to and supportive of existing renewable energy programs, and not undermine them.

FPL's VSP proposal falls far short of meeting these guiding principles. We highlight the key deficiencies below.

The proposed VSP program does not allow customers to capture the hedge value of solar

One important benefit of solar is that there is no fuel cost, and as such, investments can serve as a hedge against rising fuel costs. A primary deficiency of FPL's proposed VSP program is that customers would pay a $9/month ($108/year) premium on top of their existing electric bill to participate, for the entire term of

[1] http://www.solarelectricpower.org/utility-solar-blog/2013/may/22/community-solar-programs-are-challenged-and-sharpened-by-competition.aspx#.U9lDQq1dW4g

[2] http://www.irecusa.org/2013/06/irec-releases-revised-model-rules-for-shared-renewable-energy-programs/

their participation. This means there is no opportunity for the customer to receive any economic value from participation now or in the future. While some customers may be willing to participate regardless, most will not, and the program will not be sustainable in any scaleable, meaningful way.

We strongly recommend that the Commission fundamentally re-design the program in order to allow participants to harness the benefits of investing in solar. In doing so, the Commission might look to utilities such as Tucson Electric Power and, closer to home, the Orlando Utilities Commission, for shared solar models in which customers pay a fixed rate for the solar energy, which means the customer sees value over time as standard grid electricity rates rise. As the generating resource has zero fuel costs and requires minimal maintenance, it makes no sense to require a premium, especially in perpetuity, in order to deliver that product to customers.

The proposed program size of 2.4 MW is miniscule in proportion to customer demand

FPL proposes a maximum total of 2.4 MW of solar development under the VSP program. At an average residential subscription size of 5 kW, that translates to 480 customers served over the three-year pilot. In comparison to FPL's 4.6 million customer base, that does not represent a meaningful attempt to meet customer demand for solar. We encourage the Commission to consider a much larger program. As a minimum example, enabling FPL to construct at least 1 MW worth of community shared solar facilities in each county within its service territory would translate to at least a 30 MW pilot. Such geographic diversity is beneficial, especially for a pilot designed to gather information, because customer characteristics as well as grid characteristics are likely to differ quite a bit community to community. Given that other states are installing solar at the rate of hundreds of MWs per year, it is also important that the Commission have flexibility to expand and improve the program prior to completion of the full three-year pilot as it deems appropriate. Much of the information and experience to be gathered from a pilot can be gathered in a shorter timeframe. Solar costs continue to drop rapidly. And a clear pathway forward is critical for attracting serious investment by the solar industry and serious consideration by customers.

The proposed program does not harness competitive forces and free market decision-making

Our experience with existing community shared solar programs, which has been echoed by our colleagues at the Interstate Renewable Energy Council, is that customers are more interested in participating in community shared solar when they can choose specific projects and products tailored to their preferences. For example, some customers may prefer to pay slightly higher rate for energy coming from a solar project on their child's school, because they feel a connection to the project and it is visible in their community. Other customers may choose purely on price, and favor the lowest cost option, which may be, for example, a larger project sited on a landfill outside of town.

We encourage the Commission to find a way to harness that free market innovation of products and services, for example - by allowing independent solar companies to market various product offerings to consumers. The companies would then come to the Commission with community shared solar project packages that include a set of customers who have agreed to pay a certain rate for the energy. FPL would sign a PPA with the solar developer to purchase 100% of the output of the facility at a rate approved by the Commission, and FPL would sell that output to the customers at the agreed upon rate.

At minimum, we recommend that whatever capacity level the Commission allocates for FPL to develop under the VSP pilot, it should allocate an equal or greater level for the solar industry to develop. This will better ensure options for ratepayers and allow for more information to be gathered from the pilot.

The proposed VSP program is <u>in no way</u> a replacement for rooftop solar

We note that in its FEECA docket, FPL references the VSP program as a preferred approach to solar as opposed to providing incentives for rooftop solar systems. While we will not comment here on the best policies related to rooftop solar projects, we must make the critical point that the rooftop market is an entirely separate market from that served by community shared solar. For customers who want to and are able to generate their own electricity on their own property, rooftop solar is an essential option and the Commission should do everything in its jurisdiction to enable customers to generate their own power affordably and without restriction.

Community shared solar is an entirely different product and serves an entirely different market than rooftop solar. Both are critical to our nation's energy future and the Commission will do well to encourage both simultaneously, and separately.

In concluding, let us reiterate that the recommendations included in these comments represent a minimum baseline for a legitimate, responsible community shared solar program that delivers value to customers. In order to get the best possible program, we recommend that the Commission establish a stakeholder process for gathering input on program design.

Experience in other states – Georgia[3], Texas[4], California[5], Minnesota[6], and Idaho[7], to name a few – shows that with the right conditions and market policies, solar can deliver power at prices lower than building new fossil or nuclear generation. That's why companies such as Google, Apple, and Facebook have made commitments to purchasing 100% renewable power – they recognize that it's in their best economic

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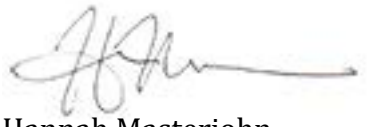
[3] http://votesolar.org/2014/04/10/solar-gets-cheap-in-coal-country/
[4] http://www.greentechmedia.com/articles/read/Austin-Energy-Switches-From-SunEdison-to-Recurrent-For-5-Cent-Solar
[5] http://votesolar.org/2013/12/05/latest-cpuc-report-on-cost-of-renewables-in-california/
[6] http://fresh-energy.org/2014/01/how-solar-beat-gas-in-minnesota/
[7] http://votesolar.org/2014/05/30/idaho-joins-the-solar-cheaper-than-avoided-cost-club/

interests. These blue-chip companies – some of the most admired and profitable in the country – will not do business in states where they can't access renewable energy. What's good for the Google is good for the gander: we encourage the Commission to establish a robust program that allows ratepayers access to the benefits of investing in renewable energy. The VSP program, as proposed, falls far short of that goal.

We are available to respond to any questions Commissioners and Commission staff may have. Please do not hesitate to contact me at Hannah@votesolar.org, or 607-431-8811.

Sincerely,



Hannah Masterjohn
Program Director, New Markets
Vote Solar

CORRESPONDENCE
JUL 31, 2014
DOCUMENT NO. 04051-14

Angela Charles

From: Office of Commissioner Balbis
Sent: Thursday, July 31, 2014 11:03 AM
To: Commissioner Correspondence
Subject: FW: SACE Comments - Docket No. 140070
Attachments: SACE Comments Docket No 140070 -001.pdf

Please place the attachment and email correspondence below in Docket Correspondence of Consumers and their Representatives for Docket No. 140070-EI.

Thank you,
Cristina

From: George Cavros [mailto:george@cavros-law.com]
Sent: Tuesday, July 29, 2014 3:55 PM
To: Ken.Hoffman@fpl.com; John.Butler@fpl.com; Maria.Moncada@fpl.com; Office Of Commissioner Graham; Office of Commissioner Brisé; Office Of Commissioner Edgar; Office of Commissioner Balbis; Office of Commissioner Brown; Diana Csank; Martha Brown; Records Clerk; charlie@cleanenergy.org
Subject: SACE Comments - Docket No. 140070

Dear Commissioners,

Southern Alliance for Clean Energy files the attached comments in Docket 140070 regarding the proposed FPL Voluntary Solar Partnership Program.

Sincerely,

George Cavros

George Cavros, Esq.
120 E. Oakland Park Blvd, Ste. 105
Fort Lauderdale, FL 33334
954.295.5714
866.924.2824 (fax)

cleanenergy.org
Clean Energy

1.866.522.SACE
www.cleanenergy.org

P.O. Box 1842
Knoxville, TN 37901
866.637.6055

34 Wall Street, Suite 607
Asheville, NC 28801
828.254.6776

250 Arizona Avenue, NE
Atlanta, GA 30307
404.373.5832

P.O. Box 8282
Savannah, GA 31412
912.201.0354

P.O. Box 1833
Pittsboro, NC 27312
919.360.2492

P.O. Box 50451
Jacksonville, FL 32240
904.469.7126

July 29, 2014

Chairman Graham, Comms. Brise, Edgar, Bablis & Brown
Florida Public Service Commission
2540 Shumard Oak Drive
Tallahassee, Florida 32399

Re: Docket No. 140070

Dear Commissioners:

Southern Alliance for Clean Energy (SACE) offers the attached comments for the Commission's consideration in the above referenced docket. On April 2, 2014, Florida Power & Light (FPL) petitioned the Florida Public Service Commission (PSC) for approval of FPL's three-year pilot Voluntary Solar Partnership (VSP) Program, which is driven on donations by customers of $9 per month ($108 per year).

FPL describes their VSP Program as being "community-based" and providing customers an opportunity to participate in the construction and operation of distributed solar photovoltaic (PV) facilities. SACE supports clean energy development, but finds the so-called "community-based" FPL program to be poorly designed and lacking ambition in scope.

Florida has the best solar resource east of the Mississippi and is the fourth most populated state in the country. Yet, the Sunshine State hardly ranked in the top twenty (18th) for solar photovoltaic (PV) capacity added in 2013, and currently ranks 14th in overall solar PV capacity. In fact, neighboring states with roughly half the population, Georgia and North Carolina, each added four times and twelve times respectively more solar in 2013 than Florida.

While the proposed FPL program is not intended to install solar PV on any meaningful level, if it was better designed and more ambitious in scope, it could be a legitimate tool in building solar energy capacity in Florida. In its present form, it's merely a feel-good, green-pricing program, which does not provide direct and tangible benefits to participating customers.

Sincerely,

s/Charlie Coggeshall

Charlie Coggeshall
Renewable Energy Manager

s/George Cavros

George Cavros
Florida Energy Policy Attorney

Southern Alliance for Clean Energy's Comments on FPL's Voluntary Solar Partnership Program

Introduction

FPL describes their VSP Program as being "community-based"[1] and providing customers an opportunity to "participate" in the construction and operation of distributed solar PV facilities. The goal, FPL states, is to "test the viability of a voluntary program that will make participation in the development of solar energy affordable and accessible to a broad range of customers."[2] The Company highlights how this program provides a customer-friendly option for those that are interested in solar, but cannot afford the upfront cost, or don't own or have adequate property for an installation.

At a high level, FPL's description and justification for the program is consistent with what are commonly referred to as community solar programs (also known as shared renewables programs or shared community solar programs). However, FPL's program in not designed as a community solar program, but rather as a green-pricing program supported solely by customer donations. The Company apparently did not review the design of existing programs or numerous resources that provide guidelines and community solar design principles in developing its program. The resources include:

- Solar Electric Power Association, *Utility Community Solar Handbook: Understanding and Supporting Program Development,* 2013.
- Interstate Renewable Energy Council, *Model Rules for Shared Renewable Energy Programs,* 2013.
- National Renewable Energy Laboratory, *A Guide to Community Solar: Utility, Private, and Non-profit Project Development,* 2010.

FPL Program Not Consistent with Best Practices

No direct and tangible benefit to customers

Community solar programs have been developed in the U.S. since at least 2006[3], and there are currently at least 54 shared renewable energy projects across the country.[4] These programs offer a wealth of experience and lessons learned that could and should be utilized in the design of any subsequent program with similar objectives. The best practices include that participants in a shared renewable energy program should receive tangible economic benefits on their utility bills.

In most utility-sponsored community solar programs, customers receive a payment or credit on their electric bills that is proportional to 1) their contribution and 2) how much electricity the

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[1] FPL, *Petition for Approval of FPL's Voluntary Solar Partnership Pilot Program and Tariff,* Docket No. 140070, p. 1, April 2, 2014.

[2] *Id.* at 2

[3] Northwest Community Energy. Ellensburg, Washington's Community Solar Project. Found at: http://nwcommunityenergy.org/solar/solar-case-studies/chelan-pud

[4] *See:* SharedRenewables.org

solar project produces.[5] This is demonstrated by numerous existing utility-run programs, including FPL's neighboring municipal utility, the Orlando Utilities Commission (OUC). OUC launched a community solar project in early 2013 (now fully subscribed) that allows customers to buy kilowatt (kW) "blocks" of a 400kW solar system, and in turn get to pay a fixed rate over 25 years for the energy produced by their respective blocks. In turn, as electricity prices increase over time the customer benefits from paying the fixed price on energy produced by the customer's solar block(s).[6]

The FPL VSP's biggest design failure is that it does not offer any direct and tangible benefit to customers that voluntarily participate in the program. The VSP program relies exclusively on a $9 per month donation ($108 per year) by customers without providing any direct or tangible benefit to participating customers.

FPL states that it will "offer additional incentive to encourage enrollment during the three-year pilot"[7] by having its parent company, Nextera Energy, Inc., contribute $200,000 to be spread across non-profits that are selected via a participant vote from a list provided by FPL. This is presumably a "feel-good" incentive to participants, and its relevance is questionable. A donation program that provides no direct customer benefit, except a "feel good" incentive implicitly undermines solar development by framing distributed solar power as a resource that cannot provide direct economic benefit to customers and instead only appeals to customers who want to "go green."

While there are customers eager to play a role in clean energy development, the reality is that most customers today are driven toward solar development for economic reasons. For example, a recent survey[8] by the Solar Foundation found that customer demand was first driven by an interest to "save money" (51.4% of respondents); followed by a recognition that solar energy costs are now more competitive with utility rates (22.9%); followed by an interest to benefit the environment and mitigate climate change (8.6%). Clearly, a program that provides some direct economic incentive for participation is more likely to become sustainable than a program that is solely dependent on donations.

The successful subscription of the OUC program is a case in point. Customers know exactly what they're purchasing, and have the benefit of locking in the solar power rate for the long term through their investment. In contrast, FPL's program is simply a reformulation of a green pricing program that was scrapped by the PSC in 2008 due to poor management.[9]

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[5] National Renewable Energy Laboratory, *A Guide to Community Solar: Utility, Private, and Non-profit Project Development*, 2010.
[6] OUC, *Community Solar*, at: http://www.ouc.com/environment-community/solar/community-solar
[7] FPL, *Petition for Approval of FPL's Voluntary Solar Partnership Pilot Program and Tariff*, Docket No. 140070, p. 5, April 2, 2014. .
[8] Solar Foundation, *National Solar Jobs Census 2013: The Annual Review of the U.S. Solar Workforce*, January 2013.
[9] Florida Public Service Commission, *PSC Terminates FPL's Sunshine Energy Program*, at: http://www.psc.state.fl.us/home/news/index.aspx?id=428

Along with its significant design flaw, the FPL program lacks ambition in scope. The Company has committed to the development of at least 300 kW of solar PV.[10] The best case scenario is projected to be 2.4 MW of solar PV development over three years. FPL's commitment to construct 300 kW of solar is less than OUC's 400 kW community solar program, even though FPL has 21 times more customers than OUC.

Not responsive to customer needs

A utility undertaking a community solar program should first "carry out market research to understand its customers' willingness to participate and their motivations for doing so."[11] A reading of FPL's petition and responses to Commission staff data requests gives little confidence that much research or stakeholder outreach was conducted prior to proposing the VSP Program. For example, FPL states: "[t]he Company believes the program is feasible and will be attractive to customers but is uncertain what the level of customer interest will be."[12] There appears to be a high level of speculation and no evidence of data used to justify the estimated interest level by customers.

Undervaluation of distributed solar power

FPL states that the only value produced by the solar facilities, once in operation, are the avoidance of fuel and environmental costs. This contradicts testimony by Karl Rabago in the Florida Energy Efficiency and Conservation Act (FEECA) docket[13], as well as studies conducted all across the country on the value of distributed solar PV. Distributed solar provides quantitative benefits to the utility and customers beyond avoiding fuel and environmental compliance costs, such as avoided generation capacity, avoided transmission and distribution capacity, and avoided line losses, and providing hedge value against fuel price volatility. Additional grid, environmental, and societal values can also be identified when conducting a due process valuation of distributed solar on FPL's transmission and distribution system. Regardless of program design, not identifying the additional value that distributed solar can provide to FPL's system, and in-turn its customers, is a disservice to the participants.

Conclusion

Although FPL's VSP Program may result in some minor incremental solar capacity, it is a poor attempt at piloting a solar program and should be scrutinized for its omission of several key design principles for legitimate community solar programs. SACE would support a stakeholder engagement process that allows for greater input into the design of this program prior to launching the pilot. Otherwise, the program as currently designed is a wasted opportunity to provide more customers with access to the benefits of solar energy.

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[10] Florida Public Service Commission, Docket No. 140070, *FPL's Response to Staff's Second Data Request*, No. 11 ("New projects will be constructed beyond the initial 300 kW DC build only to the extent that there is sufficient customer participation.").

[11] *See* Solar Electric Power Association, *Utility Community Solar Handbook: Understanding and Supporting Program Development*, 2013

[12] FPL, *Petition for Approval of FPL's Voluntary Solar Partnership Pilot Program and Tariff*, Docket No. 140070, p. 2, April 2, 2014.

[13] Florida Public Service Commission, Docket No. 130199, *Direct Testimony of Karl Rabago*, May 19, 2014.

CORRESPONDENCE
JUL 31, 2014
DOCUMENT NO. 04051-14

Angela Charles

From: Office of Commissioner Brown
Sent: Thursday, July 31, 2014 10:45 AM
To: Commissioner Correspondence
Subject: FW: SACE Comments - Docket No. 140070
Attachments: SACE Comments Docket No 140070 -001.pdf

Please place the attachment and email correspondence below in Docket Correspondence of Consumers and their Representatives for Docket No. 140070-EI.

Thank you,
Terry

Ms. Terry Holdnak
Executive Assistant to Commissioner Julie I. Brown
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850
tholdnak@psc.state.fl.us
(850) 413-6030 (Office)
(850) 413-6031 (Fax)

From: George Cavros [mailto:george@cavros-law.com]
Sent: Tuesday, July 29, 2014 3:55 PM
To: Ken.Hoffman@fpl.com; John.Butler@fpl.com; Maria.Moncada@fpl.com; Office Of Commissioner Graham; Office of Commissioner Brisé; Office Of Commissioner Edgar; Office of Commissioner Balbis; Office of Commissioner Brown; Diana Csank; Martha Brown; Records Clerk; charlie@cleanenergy.org
Subject: SACE Comments - Docket No. 140070

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Sincerely,

George Cavros

George Cavros, Esq.
120 E. Oakland Park Blvd, Ste. 105
Fort Lauderdale, FL 33334
954.295.5714
866.924.2824 (fax)

cleanenergy.org
Clean Energy

1.866.522.SACE
www.cleanenergy.org

P.O. Box 1842
Knoxville, TN 37901
866.637.6055

34 Wall Street, Suite 607
Asheville, NC 28801
828.254.6776

250 Arizona Avenue, NE
Atlanta, GA 30307
404.373.5832

P.O. Box 8282
Savannah, GA 31412
912.201.0354

P.O. Box 1833
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919.360.2492

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July 29, 2014

Chairman Graham, Comms. Brise, Edgar, Bablis & Brown
Florida Public Service Commission
2540 Shumard Oak Drive
Tallahassee, Florida 32399

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Sincerely,

s/Charlie Coggeshall

Charlie Coggeshall
Renewable Energy Manager

s/George Cavros

George Cavros
Florida Energy Policy Attorney

Southern Alliance for Clean Energy's Comments on FPL's Voluntary Solar Partnership Program

Introduction

FPL describes their VSP Program as being "community-based"[1] and providing customers an opportunity to "participate" in the construction and operation of distributed solar PV facilities. The goal, FPL states, is to "test the viability of a voluntary program that will make participation in the development of solar energy affordable and accessible to a broad range of customers."[2] The Company highlights how this program provides a customer-friendly option for those that are interested in solar, but cannot afford the upfront cost, or don't own or have adequate property for an installation.

At a high level, FPL's description and justification for the program is consistent with what are commonly referred to as community solar programs (also known as shared renewables programs or shared community solar programs). However, FPL's program in not designed as a community solar program, but rather as a green-pricing program supported solely by customer donations. The Company apparently did not review the design of existing programs or numerous resources that provide guidelines and community solar design principles in developing its program. The resources include:

- Solar Electric Power Association, *Utility Community Solar Handbook: Understanding and Supporting Program Development,* 2013.
- Interstate Renewable Energy Council, *Model Rules for Shared Renewable Energy Programs,* 2013.
- National Renewable Energy Laboratory, *A Guide to Community Solar: Utility, Private, and Non-profit Project Development,* 2010.

FPL Program Not Consistent with Best Practices

No direct and tangible benefit to customers

Community solar programs have been developed in the U.S. since at least 2006[3], and there are currently at least 54 shared renewable energy projects across the country.[4] These programs offer a wealth of experience and lessons learned that could and should be utilized in the design of any subsequent program with similar objectives. The best practices include that participants in a shared renewable energy program should receive tangible economic benefits on their utility bills.

In most utility-sponsored community solar programs, customers receive a payment or credit on their electric bills that is proportional to 1) their contribution and 2) how much electricity the

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[1] FPL, *Petition for Approval of FPL's Voluntary Solar Partnership Pilot Program and Tariff,* Docket No. 140070, p. 1, April 2, 2014.

[2] *Id.* at 2

[3] Northwest Community Energy. Ellensburg, Washington's Community Solar Project. Found at: http://nwcommunityenergy.org/solar/solar-case-studies/chelan-pud

[4] *See:* SharedRenewables.org

solar project produces.[5] This is demonstrated by numerous existing utility-run programs, including FPL's neighboring municipal utility, the Orlando Utilities Commission (OUC). OUC launched a community solar project in early 2013 (now fully subscribed) that allows customers to buy kilowatt (kW) "blocks" of a 400kW solar system, and in turn get to pay a fixed rate over 25 years for the energy produced by their respective blocks. In turn, as electricity prices increase over time the customer benefits from paying the fixed price on energy produced by the customer's solar block(s).[6]

The FPL VSP's biggest design failure is that it does not offer any direct and tangible benefit to customers that voluntarily participate in the program. The VSP program relies exclusively on a $9 per month donation ($108 per year) by customers without providing any direct or tangible benefit to participating customers.

FPL states that it will "offer additional incentive to encourage enrollment during the three-year pilot"[7] by having its parent company, Nextera Energy, Inc., contribute $200,000 to be spread across non-profits that are selected via a participant vote from a list provided by FPL. This is presumably a "feel-good" incentive to participants, and its relevance is questionable. A donation program that provides no direct customer benefit, except a "feel good" incentive implicitly undermines solar development by framing distributed solar power as a resource that cannot provide direct economic benefit to customers and instead only appeals to customers who want to "go green."

While there are customers eager to play a role in clean energy development, the reality is that most customers today are driven toward solar development for economic reasons. For example, a recent survey[8] by the Solar Foundation found that customer demand was first driven by an interest to "save money" (51.4% of respondents); followed by a recognition that solar energy costs are now more competitive with utility rates (22.9%); followed by an interest to benefit the environment and mitigate climate change (8.6%). Clearly, a program that provides some direct economic incentive for participation is more likely to become sustainable than a program that is solely dependent on donations.

The successful subscription of the OUC program is a case in point. Customers know exactly what they're purchasing, and have the benefit of locking in the solar power rate for the long term through their investment. In contrast, FPL's program is simply a reformulation of a green pricing program that was scrapped by the PSC in 2008 due to poor management.[9]

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[5] National Renewable Energy Laboratory, *A Guide to Community Solar: Utility, Private, and Non-profit Project Development*, 2010.
[6] OUC, *Community Solar*, at: http://www.ouc.com/environment-community/solar/community-solar
[7] FPL, *Petition for Approval of FPL's Voluntary Solar Partnership Pilot Program and Tariff*, Docket No. 140070, p. 5, April 2, 2014. .
[8] Solar Foundation, *National Solar Jobs Census 2013: The Annual Review of the U.S. Solar Workforce*, January 2013.
[9] Florida Public Service Commission, *PSC Terminates FPL's Sunshine Energy Program*, at: http://www.psc.state.fl.us/home/news/index.aspx?id=428

Along with its significant design flaw, the FPL program lacks ambition in scope. The Company has committed to the development of at least 300 kW of solar PV.[10] The best case scenario is projected to be 2.4 MW of solar PV development over three years. FPL's commitment to construct 300 kW of solar is less than OUC's 400 kW community solar program, even though FPL has 21 times more customers than OUC.

Not responsive to customer needs

A utility undertaking a community solar program should first "carry out market research to understand its customers' willingness to participate and their motivations for doing so."[11] A reading of FPL's petition and responses to Commission staff data requests gives little confidence that much research or stakeholder outreach was conducted prior to proposing the VSP Program. For example, FPL states: "[t]he Company believes the program is feasible and will be attractive to customers but is uncertain what the level of customer interest will be."[12] There appears to be a high level of speculation and no evidence of data used to justify the estimated interest level by customers.

Undervaluation of distributed solar power

FPL states that the only value produced by the solar facilities, once in operation, are the avoidance of fuel and environmental costs. This contradicts testimony by Karl Rabago in the Florida Energy Efficiency and Conservation Act (FEECA) docket[13], as well as studies conducted all across the country on the value of distributed solar PV. Distributed solar provides quantitative benefits to the utility and customers beyond avoiding fuel and environmental compliance costs, such as avoided generation capacity, avoided transmission and distribution capacity, and avoided line losses, and providing hedge value against fuel price volatility. Additional grid, environmental, and societal values can also be identified when conducting a due process valuation of distributed solar on FPL's transmission and distribution system. Regardless of program design, not identifying the additional value that distributed solar can provide to FPL's system, and in-turn its customers, is a disservice to the participants.

Conclusion

Although FPL's VSP Program may result in some minor incremental solar capacity, it is a poor attempt at piloting a solar program and should be scrutinized for its omission of several key design principles for legitimate community solar programs. SACE would support a stakeholder engagement process that allows for greater input into the design of this program prior to launching the pilot. Otherwise, the program as currently designed is a wasted opportunity to provide more customers with access to the benefits of solar energy.

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[10] Florida Public Service Commission, Docket No. 140070, *FPL's Response to Staff's Second Data Request*, No. 11 ("New projects will be constructed beyond the initial 300 kW DC build only to the extent that there is sufficient customer participation.").

[11] *See* Solar Electric Power Association, *Utility Community Solar Handbook: Understanding and Supporting Program Development*, 2013

[12] FPL, *Petition for Approval of FPL's Voluntary Solar Partnership Pilot Program and Tariff*, Docket No. 140070, p. 2, April 2, 2014.

[13] Florida Public Service Commission, Docket No. 130199, *Direct Testimony of Karl Rabago*, May 19, 2014.

CORRESPONDENCE
JUL 31, 2014
DOCUMENT NO. 04051-14

Angela Charles

From: Office of Commissioner Brown
Sent: Thursday, July 31, 2014 10:44 AM
To: Commissioner Correspondence
Subject: FW: Vote Solar comments - Docket No. 140070
Attachments: Vote Solar Comments Docket No. 140070 FPL VSP 6-30-14.pdf

Please place the attachment and email correspondence below in Docket Correspondence of Consumers and their Representatives for Docket No. 140070-EI.

Thank you,
Terry

Ms. Terry Holdnak
Executive Assistant to Commissioner Julie I. Brown
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850
tholdnak@psc.state.fl.us
(850) 413-6030 (Office)
(850) 413-6031 (Fax)

From: Hannah Masterjohn [mailto:hannah@votesolar.org]
Sent: Wednesday, July 30, 2014 11:45 PM
To: Office Of Commissioner Graham; Office of Commissioner Brisé; Office Of Commissioner Edgar; Office of Commissioner Balbis; Office of Commissioner Brown; Martha Brown; Records Clerk; john.butler@fpl.com; maria.moncada@fpl.com; ken.hoffman@fpl.com; Charlie Coggeshall; Diana Csank
Subject: Vote Solar comments - Docket No. 140070

Dear Commissioners,

Vote Solar files the attached comments in Docket 140070 regarding the proposed FPL Voluntary Solar Partnership Program.

Sincerely,
Hannah Masterjohn

Hannah Masterjohn | Vote Solar | 607-431-8811 | hannah@votesolar.org

VOTE SOLAR

July 30, 2014

Chairman Graham, Commissioners Balbis, Brisé, Brown, & Edgar
Florida Public Service Commission
2540 Shumard Oak Drive
Tallahassee, Florida 32399

Re: Docket No. 140070

Dear Commissioners:

On April 2, 2014, Florida Power & Light petitioned the Florida Public Service Commission for approval of a three-year Voluntary Solar Partnership (VSP) Program. Vote Solar, a 501c3 non-profit public advocacy organization, would like to offer the following comments to inform the Commission's consideration of FPL's VSP proposal. In summary, while we appreciate FPL's recognition that a new model is necessary to serve customers who want solar energy but can't put it on their own roof, the VSP program as proposed is not a meaningful or appropriate step toward serving those customers in a responsible way. The proposed program falls short in several important ways: it does not allow participants to receive value from their investment; it is too small; and it should provide more customer choice and free-market flexibility. Other utilities are pursing models that deliver on these best practices, and we recommend that the Commission improve the program so that it is more in line with the best interests of Florida's ratepayers.

The Commission can and should draw lessons from community shared solar programs <u>already successfully operating</u> across the country

The vast majority of ratepayers are not able to install solar on their own property. According to the National Renewable Energy Laboratory, approximately 75% of residential housing is not suitable for rooftop solar panels due to shading or other roof characteristics. Add to that the fact that approximately 1/3 of Florida housing units are occupied by renters, who likely don't have the right – or the financial incentive – to install solar, and it's clear that a new model is needed to give these customers the ability to choose solar energy.

Many states and utilities have sought to meet this need through community shared solar, in which customers can sign up for energy from a local solar energy project, and receive credit on their utility bill for their share of the clean energy produced. At least 10 states have passed community shared solar legislation creating a statewide program, at least 20 utilities have developed community shared solar

programs, and many more are in the works. Vote Solar has directly participated in the design and implementation of many of these programs.

The Solar Electric Power Association, a membership association of utility companies, offers this explanation of why community shared solar is "an attractive fit for a growing number of utilities:"[1]

- **It contributes to the utility's reputation as THE leading provider of energy.** Utilities want to maintain a strong tie to their customers, especially those early adopters interested in solar. A utility-managed community solar program accelerates the utility learning curve across the internal utility structure.
- **Solar adds to customer satisfaction and engagement.** Solar is popular with the public and surveys show that most customers want their utility to add solar to the mix. Customers want meaningful choices in energy, and for a segment of the customer base, local solar fills the bill.
- **Solar is a new source of local economic development.** This is especially compelling to electric cooperatives and municipal utilities, which as locally owned utilities, share a strong connection to the community.
- **The opportunity to locate solar where it may have the optimal strategic benefit to the operation of the distribution system.** And to quantify those benefits in real-time.

In reviewing community shared solar programs across the country, the Interstate Renewable Energy Council published the following guiding principles for effective community shared solar programs:[2]

1. Expand renewable energy access to a broader group of energy consumers
2. Produce tangible economic benefits on customers' utility bills
3. Remain flexible enough to account for energy consumers' preferences
4. Be additive to and supportive of existing renewable energy programs, and not undermine them.

FPL's VSP proposal falls far short of meeting these guiding principles. We highlight the key deficiencies below.

The proposed VSP program does not allow customers to capture the hedge value of solar

One important benefit of solar is that there is no fuel cost, and as such, investments can serve as a hedge against rising fuel costs. A primary deficiency of FPL's proposed VSP program is that customers would pay a $9/month ($108/year) premium on top of their existing electric bill to participate, for the entire term of

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[2] http://www.irecusa.org/2013/06/irec-releases-revised-model-rules-for-shared-renewable-energy-programs/

their participation. This means there is no opportunity for the customer to receive any economic value from participation now or in the future. While some customers may be willing to participate regardless, most will not, and the program will not be sustainable in any scaleable, meaningful way.

We strongly recommend that the Commission fundamentally re-design the program in order to allow participants to harness the benefits of investing in solar. In doing so, the Commission might look to utilities such as Tucson Electric Power and, closer to home, the Orlando Utilities Commission, for shared solar models in which customers pay a fixed rate for the solar energy, which means the customer sees value over time as standard grid electricity rates rise. As the generating resource has zero fuel costs and requires minimal maintenance, it makes no sense to require a premium, especially in perpetuity, in order to deliver that product to customers.

The proposed program size of 2.4 MW is miniscule in proportion to customer demand

FPL proposes a maximum total of 2.4 MW of solar development under the VSP program. At an average residential subscription size of 5 kW, that translates to 480 customers served over the three-year pilot. In comparison to FPL's 4.6 million customer base, that does not represent a meaningful attempt to meet customer demand for solar. We encourage the Commission to consider a much larger program. As a minimum example, enabling FPL to construct at least 1 MW worth of community shared solar facilities in each county within its service territory would translate to at least a 30 MW pilot. Such geographic diversity is beneficial, especially for a pilot designed to gather information, because customer characteristics as well as grid characteristics are likely to differ quite a bit community to community. Given that other states are installing solar at the rate of hundreds of MWs per year, it is also important that the Commission have flexibility to expand and improve the program prior to completion of the full three-year pilot as it deems appropriate. Much of the information and experience to be gathered from a pilot can be gathered in a shorter timeframe. Solar costs continue to drop rapidly. And a clear pathway forward is critical for attracting serious investment by the solar industry and serious consideration by customers.

The proposed program does not harness competitive forces and free market decision-making

Our experience with existing community shared solar programs, which has been echoed by our colleagues at the Interstate Renewable Energy Council, is that customers are more interested in participating in community shared solar when they can choose specific projects and products tailored to their preferences. For example, some customers may prefer to pay slightly higher rate for energy coming from a solar project on their child's school, because they feel a connection to the project and it is visible in their community. Other customers may choose purely on price, and favor the lowest cost option, which may be, for example, a larger project sited on a landfill outside of town.

We encourage the Commission to find a way to harness that free market innovation of products and services, for example - by allowing independent solar companies to market various product offerings to consumers. The companies would then come to the Commission with community shared solar project packages that include a set of customers who have agreed to pay a certain rate for the energy. FPL would sign a PPA with the solar developer to purchase 100% of the output of the facility at a rate approved by the Commission, and FPL would sell that output to the customers at the agreed upon rate.

At minimum, we recommend that whatever capacity level the Commission allocates for FPL to develop under the VSP pilot, it should allocate an equal or greater level for the solar industry to develop. This will better ensure options for ratepayers and allow for more information to be gathered from the pilot.

The proposed VSP program is <u>in no way</u> a replacement for rooftop solar

We note that in its FEECA docket, FPL references the VSP program as a preferred approach to solar as opposed to providing incentives for rooftop solar systems. While we will not comment here on the best policies related to rooftop solar projects, we must make the critical point that the rooftop market is an entirely separate market from that served by community shared solar. For customers who want to and are able to generate their own electricity on their own property, rooftop solar is an essential option and the Commission should do everything in its jurisdiction to enable customers to generate their own power affordably and without restriction.

Community shared solar is an entirely different product and serves an entirely different market than rooftop solar. Both are critical to our nation's energy future and the Commission will do well to encourage both simultaneously, and separately.

In concluding, let us reiterate that the recommendations included in these comments represent a minimum baseline for a legitimate, responsible community shared solar program that delivers value to customers. In order to get the best possible program, we recommend that the Commission establish a stakeholder process for gathering input on program design.

Experience in other states – Georgia[3], Texas[4], California[5], Minnesota[6], and Idaho[7], to name a few – shows that with the right conditions and market policies, solar can deliver power at prices lower than building new fossil or nuclear generation. That's why companies such as Google, Apple, and Facebook have made commitments to purchasing 100% renewable power – they recognize that it's in their best economic

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[4] http://www.greentechmedia.com/articles/read/Austin-Energy-Switches-From-SunEdison-to-Recurrent-For-5-Cent-Solar
[5] http://votesolar.org/2013/12/05/latest-cpuc-report-on-cost-of-renewables-in-california/
[6] http://fresh-energy.org/2014/01/how-solar-beat-gas-in-minnesota/
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We are available to respond to any questions Commissioners and Commission staff may have. Please do not hesitate to contact me at Hannah@votesolar.org, or 607-431-8811.

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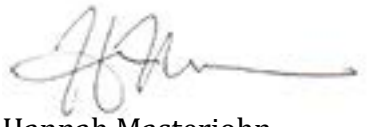

Hannah Masterjohn
Program Director, New Markets
Vote Solar

CORRESPONDENCE
JUL 31, 2014
DOCUMENT NO. 04051-14

Angela Charles

From: Pamela Paultre on behalf of Office of Commissioner Brisé
Sent: Thursday, July 31, 2014 10:10 AM
To: Commissioner Correspondence
Subject: FW: Vote Solar comments - Docket No. 140070
Attachments: Vote Solar Comments Docket No. 140070 FPL VSP 6-30-14.pdf

Good morning,

Please place the forwarded or enclosed correspondence in Docket Correspondence of Consumers and their representatives for docket no. 140070.

Thank you,

Pamela Paultre
Assistant to Commissioner Ronald Brisé
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, FL 32399
(850) 413-6036

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[5] http://votesolar.org/2013/12/05/latest-cpuc-report-on-cost-of-renewables-in-california/
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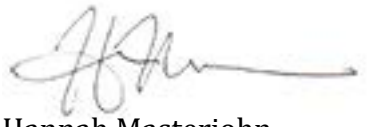
Sincerely,



Hannah Masterjohn
Program Director, New Markets
Vote Solar

Shawna Senko

From:	Hannah Masterjohn <hannah@votesolar.org>
Sent:	Wednesday, July 30, 2014 11:45 PM
To:	Office Of Commissioner Graham; Office of Commissioner Brisé; Office Of Commissioner Edgar; Office of Commissioner Balbis; Office of Commissioner Brown; Martha Brown; Records Clerk; john.butler@fpl.com; maria.moncada@fpl.com; ken.hoffman@fpl.com; Charlie Coggeshall; Diana Csank
Subject:	Vote Solar comments - Docket No. 140070
Attachments:	Vote Solar Comments Docket No. 140070 FPL VSP 6-30-14.pdf

Dear Commissioners,

Vote Solar files the attached comments in Docket 140070 regarding the proposed FPL Voluntary Solar Partnership Program.

Sincerely,
Hannah Masterjohn

Hannah Masterjohn | Vote Solar | 607-431-8811 | hannah@votesolar.org

VOTE SOLAR

July 30, 2014

Chairman Graham, Commissioners Balbis, Brisé, Brown, & Edgar
Florida Public Service Commission
2540 Shumard Oak Drive
Tallahassee, Florida 32399

Re: Docket No. 140070

Dear Commissioners:

On April 2, 2014, Florida Power & Light petitioned the Florida Public Service Commission for approval of a three-year Voluntary Solar Partnership (VSP) Program. Vote Solar, a 501c3 non-profit public advocacy organization, would like to offer the following comments to inform the Commission's consideration of FPL's VSP proposal. In summary, while we appreciate FPL's recognition that a new model is necessary to serve customers who want solar energy but can't put it on their own roof, the VSP program as proposed is not a meaningful or appropriate step toward serving those customers in a responsible way. The proposed program falls short in several important ways: it does not allow participants to receive value from their investment; it is too small; and it should provide more customer choice and free-market flexibility. Other utilities are pursing models that deliver on these best practices, and we recommend that the Commission improve the program so that it is more in line with the best interests of Florida's ratepayers.

The Commission can and should draw lessons from community shared solar programs <u>already successfully operating</u> across the country

The vast majority of ratepayers are not able to install solar on their own property. According to the National Renewable Energy Laboratory, approximately 75% of residential housing is not suitable for rooftop solar panels due to shading or other roof characteristics. Add to that the fact that approximately 1/3 of Florida housing units are occupied by renters, who likely don't have the right – or the financial incentive – to install solar, and it's clear that a new model is needed to give these customers the ability to choose solar energy.

Many states and utilities have sought to meet this need through community shared solar, in which customers can sign up for energy from a local solar energy project, and receive credit on their utility bill for their share of the clean energy produced. At least 10 states have passed community shared solar legislation creating a statewide program, at least 20 utilities have developed community shared solar

programs, and many more are in the works. Vote Solar has directly participated in the design and implementation of many of these programs.

The Solar Electric Power Association, a membership association of utility companies, offers this explanation of why community shared solar is "an attractive fit for a growing number of utilities:"[1]

- **It contributes to the utility's reputation as THE leading provider of energy.** Utilities want to maintain a strong tie to their customers, especially those early adopters interested in solar. A utility-managed community solar program accelerates the utility learning curve across the internal utility structure.
- **Solar adds to customer satisfaction and engagement.** Solar is popular with the public and surveys show that most customers want their utility to add solar to the mix. Customers want meaningful choices in energy, and for a segment of the customer base, local solar fills the bill.
- **Solar is a new source of local economic development.** This is especially compelling to electric cooperatives and municipal utilities, which as locally owned utilities, share a strong connection to the community.
- **The opportunity to locate solar where it may have the optimal strategic benefit to the operation of the distribution system.** And to quantify those benefits in real-time.

In reviewing community shared solar programs across the country, the Interstate Renewable Energy Council published the following guiding principles for effective community shared solar programs:[2]

1. Expand renewable energy access to a broader group of energy consumers
2. Produce tangible economic benefits on customers' utility bills
3. Remain flexible enough to account for energy consumers' preferences
4. Be additive to and supportive of existing renewable energy programs, and not undermine them.

FPL's VSP proposal falls far short of meeting these guiding principles. We highlight the key deficiencies below.

The proposed VSP program does not allow customers to capture the hedge value of solar

One important benefit of solar is that there is no fuel cost, and as such, investments can serve as a hedge against rising fuel costs. A primary deficiency of FPL's proposed VSP program is that customers would pay a $9/month ($108/year) premium on top of their existing electric bill to participate, for the entire term of

[1] http://www.solarelectricpower.org/utility-solar-blog/2013/may/22/community-solar-programs-are-challenged-and-sharpened-by-competition.aspx#.U9lDQq1dW4g

[2] http://www.irecusa.org/2013/06/irec-releases-revised-model-rules-for-shared-renewable-energy-programs/

their participation. This means there is no opportunity for the customer to receive any economic value from participation now or in the future. While some customers may be willing to participate regardless, most will not, and the program will not be sustainable in any scaleable, meaningful way.

We strongly recommend that the Commission fundamentally re-design the program in order to allow participants to harness the benefits of investing in solar. In doing so, the Commission might look to utilities such as Tucson Electric Power and, closer to home, the Orlando Utilities Commission, for shared solar models in which customers pay a fixed rate for the solar energy, which means the customer sees value over time as standard grid electricity rates rise. As the generating resource has zero fuel costs and requires minimal maintenance, it makes no sense to require a premium, especially in perpetuity, in order to deliver that product to customers.

The proposed program size of 2.4 MW is miniscule in proportion to customer demand

FPL proposes a maximum total of 2.4 MW of solar development under the VSP program. At an average residential subscription size of 5 kW, that translates to 480 customers served over the three-year pilot. In comparison to FPL's 4.6 million customer base, that does not represent a meaningful attempt to meet customer demand for solar. We encourage the Commission to consider a much larger program. As a minimum example, enabling FPL to construct at least 1 MW worth of community shared solar facilities in each county within its service territory would translate to at least a 30 MW pilot. Such geographic diversity is beneficial, especially for a pilot designed to gather information, because customer characteristics as well as grid characteristics are likely to differ quite a bit community to community. Given that other states are installing solar at the rate of hundreds of MWs per year, it is also important that the Commission have flexibility to expand and improve the program prior to completion of the full three-year pilot as it deems appropriate. Much of the information and experience to be gathered from a pilot can be gathered in a shorter timeframe. Solar costs continue to drop rapidly. And a clear pathway forward is critical for attracting serious investment by the solar industry and serious consideration by customers.

The proposed program does not harness competitive forces and free market decision-making

Our experience with existing community shared solar programs, which has been echoed by our colleagues at the Interstate Renewable Energy Council, is that customers are more interested in participating in community shared solar when they can choose specific projects and products tailored to their preferences. For example, some customers may prefer to pay slightly higher rate for energy coming from a solar project on their child's school, because they feel a connection to the project and it is visible in their community. Other customers may choose purely on price, and favor the lowest cost option, which may be, for example, a larger project sited on a landfill outside of town.

We encourage the Commission to find a way to harness that free market innovation of products and services, for example - by allowing independent solar companies to market various product offerings to consumers. The companies would then come to the Commission with community shared solar project packages that include a set of customers who have agreed to pay a certain rate for the energy. FPL would sign a PPA with the solar developer to purchase 100% of the output of the facility at a rate approved by the Commission, and FPL would sell that output to the customers at the agreed upon rate.

At minimum, we recommend that whatever capacity level the Commission allocates for FPL to develop under the VSP pilot, it should allocate an equal or greater level for the solar industry to develop. This will better ensure options for ratepayers and allow for more information to be gathered from the pilot.

The proposed VSP program is <u>in no way</u> a replacement for rooftop solar

We note that in its FEECA docket, FPL references the VSP program as a preferred approach to solar as opposed to providing incentives for rooftop solar systems. While we will not comment here on the best policies related to rooftop solar projects, we must make the critical point that the rooftop market is an entirely separate market from that served by community shared solar. For customers who want to and are able to generate their own electricity on their own property, rooftop solar is an essential option and the Commission should do everything in its jurisdiction to enable customers to generate their own power affordably and without restriction.

Community shared solar is an entirely different product and serves an entirely different market than rooftop solar. Both are critical to our nation's energy future and the Commission will do well to encourage both simultaneously, and separately.

In concluding, let us reiterate that the recommendations included in these comments represent a minimum baseline for a legitimate, responsible community shared solar program that delivers value to customers. In order to get the best possible program, we recommend that the Commission establish a stakeholder process for gathering input on program design.

Experience in other states – Georgia[3], Texas[4], California[5], Minnesota[6], and Idaho[7], to name a few – shows that with the right conditions and market policies, solar can deliver power at prices lower than building new fossil or nuclear generation. That's why companies such as Google, Apple, and Facebook have made commitments to purchasing 100% renewable power – they recognize that it's in their best economic

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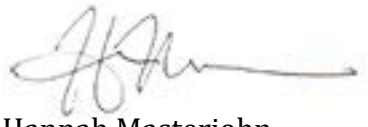
[3] http://votesolar.org/2014/04/10/solar-gets-cheap-in-coal-country/
[4] http://www.greentechmedia.com/articles/read/Austin-Energy-Switches-From-SunEdison-to-Recurrent-For-5-Cent-Solar
[5] http://votesolar.org/2013/12/05/latest-cpuc-report-on-cost-of-renewables-in-california/
[6] http://fresh-energy.org/2014/01/how-solar-beat-gas-in-minnesota/
[7] http://votesolar.org/2014/05/30/idaho-joins-the-solar-cheaper-than-avoided-cost-club/

interests. These blue-chip companies – some of the most admired and profitable in the country – will not do business in states where they can't access renewable energy. What's good for the Google is good for the gander: we encourage the Commission to establish a robust program that allows ratepayers access to the benefits of investing in renewable energy. The VSP program, as proposed, falls far short of that goal.

We are available to respond to any questions Commissioners and Commission staff may have. Please do not hesitate to contact me at Hannah@votesolar.org, or 607-431-8811.

Sincerely,



Hannah Masterjohn
Program Director, New Markets
Vote Solar