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1	BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION		
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4	In the Matter	of:	
5		DOCKET NO. 140070-EI	
6	PETITION FOR A		
7	VOLUNTARY SOLAR PARTNERSHIP PILOT PROGRAM AND TARIFF, BY		
8	FLORIDA POWER & LIGHT COMPANY. APPLICATION FOR APPROVAL OF		
9		/	
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11	PROCEEDINGS:	COMMISSION CONFERENCE AGENDA ITEM NO. 10	
12		TIEM NO. 10	
13	COMMISSIONERS PARTICIPATING:	CHAIRMAN ART GRAHAM	
14		COMMISSIONER LISA POLAK EDGAR COMMISSIONER RONALD A. BRISÉ	
15		COMMISSIONER EDUARDO E. BALBIS COMMISSIONER JULIE I. BROWN	
16	DATE:	Tuesday, August 12, 2014	
17	PLACE:	Betty Easley Conference Center Room 148	
18		4075 Esplanade Way Tallahassee, Florida	
19	REPORTED BY:		
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FLORIDA PUBLIC SERVICE COMMISSION

PROCEEDINGS

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CHAIRMAN GRAHAM: On to item number 10.

MR. GARL: Thank you, Mr. Chairman.

Commissioners, once again, I'm Steve Garl with Commission staff.

Item 10 is a petition from Florida Power & Light requesting approval of a proposed voluntary solar partnership pilot program. The VSP pilot program would offer all FPL customers an opportunity to voluntarily contribute \$9 per month toward the construction and operation of solar generation facilities. FPL would use the voluntary contributions to support the net revenue requirements of constructing and operating solar generating facilities.

The VSP pilot program is not related to FPL's six demand-side management solar programs. pilot program provides participants assurance that their voluntary contributions will be used as intended, as well as ensuring that nonparticipants will not be subsidizing the program. Staff therefore recommends approval of the VSP pilot program and tariff. And representatives of SACE, Vote Solar, and FPL are present and would like to address the Commission.

CHAIRMAN GRAHAM: Okay. Who wants to go first? Florida Power & Light.

MS. MONCADA: Maria Moncada from FPL. Than you for the opportunity to address you this morning.

FPL strongly supports staff's recommendation to approve the VSP pilot program. As staff mentioned, VSP is an optional program that is designed by FPL to reach a wide range of customers.

We realize that rooftop installations are not a viable option for most of our customers. For example, renters may not be in a position to put the installations on properties because they don't own them, or perhaps they lack the incentive to do so. Another example are customers who live in multiunit dwellings, or perhaps they have their own dwellings but their roofs are not suitable for solar installations because of the age or the positioning of the rooftop.

Other customers may not be in a position to finance the up-front costs associated with the solar panels. Still other customers may have issues, may have a preference not to have the aesthetic presence of the solar panels on their rooftops, or they may have concerns about how they would fare in circumstances such as a strong storm or a hurricane, but these same customers may still be interested in being able to participate in a solar option or any type of green pricing program.

And no less important, FPL wanted to have an offering that provided customers the opportunity to participate, while at the same time not facilitating or causing any cross-subsidization between the general body of customers and those who wish to participate. And we believe that the voluntary solar program accomplishes or addresses these concerns.

First, VSP is entirely voluntary. Customers can join or cancel their enrollment at any time.

Secondly, we believe that we have made this program affordable for most customers at \$9 per month. Third, the customers don't require the placement of the solar facilities on their own properties. And in connection with this, we've been working with and discussing with cities within our service territories to site these projects at locations within their communities.

And then, of course, of utmost importance, this has been designed so that there is no net cost to the general body of customers. And in order to do that, we've structured it so that the fuel savings flow through to the general body of customers and that the general -- I'm sorry -- the contributions by the participants will cover the revenue requirements net of avoided cost. And we believe that all groups, including SACE and Vote Solar, should embrace programs like this

which are inclusive of all -- which at least strive to be inclusive of all customers.

With regard to the size of the project, as a threshold matter we'd like to remind the Commission that this is just one of many projects that FPL has in mind. By now this year you've heard of FPL's plans to have, to introduce projects that may involve utility scale solar, which are the most cost-effective form of solar power for customers, and also research and development plans that were mentioned in the DSM docket.

I'm sorry. The first 300 kilowatts of the solar projects would be -- we would commence construction in January of 2015, and those would consist of smaller individual projects of 50 to 100 kilowatts each. And from there we don't know how big the project will be. That's why this is a pilot. We will be able to evaluate customer appetite and the size and total installed capacity. That will be dictated by the enrollment levels. And we, if this is approved, we will develop a comprehensive plan to market the program and encourage enrollment.

Comments have been made and submitted to the Commission regarding the comparison of FPL's program to OUC's solar community program. And with all due respect

to OUC, we do not believe that the OUC community solar

program is in line with the goals that we are trying to

accomplish. It's our understanding that the OUC program

is subsidized by the general body of customers, and that

is diametrically opposed to the goals of FPL here where

we want no cross-subsidization.

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There have also been comments that wish to compare our program to other community solar programs in Florida or other places in the country. And this is not a community solar program in a typical industry sense. It's more akin to a green pricing program. But there is a community component to our program. As I mentioned, FPL will be partnering with cities and, in fact, has already discussed with at least five cities that are interested and look forward to the prospect of partnering with FPL to site these projects in their communities. Those are West Palm Beach, Cutler Bay, Doral, Fort Lauderdale, and Sarasota.

And there's another community component, which is the charitable contribution component. Each year of the pilot period the NextEra Foundation will donate \$200,000 to charities, and that will be allocated based on the votes of the participants.

In closing, the voluntary solar program has not only benefits but also protection for customers. As

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I mentioned before, this is a -- there's a goal for this to be a net zero impact over the three-year period for nonparticipants. We will work towards that by sizing and scaling the future projects in accordance with what the participation rates are. Shareholders will absorb below the line any shortfall that may come at the end of the three-year period if revenue requirements are not covered by the contributions.

And in addition, the participants are protected because FPL has volunteered during the first three years or during the pilot period to absorb any costs below the line that exceed 20 -- any marketing cost, that is, and administrative costs below the line that exceed 20 percent of the contributions that are received during that year.

Thank you, Commissioners. I'm available for any questions. Again, FPL supports staff's recommendation to approve the VSP program.

CHAIRMAN GRAHAM: Thank you.

Mr. Cavros.

MR. CAVROS: Good morning, Chairman. Good morning, Commissioners. Thanks for the opportunity to address you today. George Cavros on behalf of the Southern Alliance for Clean Energy.

The Southern Alliance for Clean Energy

FLORIDA PUBLIC SERVICE COMMISSION

advocates for the use of low-cost, low-risk resources in meeting our electricity demand. And of primary benefit, we advocate for energy efficiency and solar power.

Those resources are desirable because of their zero emission profile and also because they act as a hedge against natural gas price volatility and, therefore, reducing the exposure of customers to fuel price spikes from increases in natural gas. And that's particularly important here in Florida, given our reliance on natural gas.

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SACE supports utility scale solar development, SACE supports distributed scale solar development, and SACE supports well-designed programs to advance both. Unfortunately in this case we've looked at the proposed program and we do not believe it is a well-designed program. And its biggest flaw is that it does not provide a direct economic benefit to participating customers.

National polling has shown that customers will engage in solar programs, are more likely to engage if there is an economic benefit to that particular customer. The benefit provided to these customers is a promise by the company to -- FPL's parent company to provide donations to environmental groups. Apparently that's a feel-good incentive to try to increase

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participation, but it's not, it's not an economic tangible incentive to customers. And that's a shame because we believe that if the program was better designed, it could be a really effective tool in the toolbox in increasing solar development here in Florida.

And as noted in our comments and by FPL counsel, we did point the company to its municipal neighbor, Orlando Utilities Commission, as an example of best practices. Under that program, customers actually choose blocks, 1-kilowatt blocks of a community solar program, and that block equals about, oh, 112-kilowatt hours a month. And they essentially lock into the rate that their blocks will produce, and that's a fixed rate over the life of the project which runs about 25 years. And so as retail rates may rise, that rate from the solar community project stays the same. So it's a hedge against rising retail rates, and that's a direct benefit to the participating customers. So we would encourage the company to look at OUC and see what they've been doing and see the success that they've had in their community solar program. That program is now fully subscribed, it's 400 kilowatts, and we believe it shows leadership in solar power and that FP&L would be well served to follow OUC's lead.

And the converse, the company has quaranteed

to build 300 kilowatts of solar. The company currently
generates less than 1/10th of 1 percent of its power
from solar energy, and this program will not
meaningfully advance solar generation in their energy
mix.

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Lastly, in FP&L's petition and again in their comments today they emphasize the need to avoid cross-subsidization, and they offer no support -- well, let me, let me take a step back. All -- crosssubsidization is implicit in all resource decisions, you know, to some, to some level -- greater in others, less in some -- but it's there, it's implicit. But that aside, the company has not offered any evidence that there is cross-subsidization of distributed solar. And until they do and take a wholistic look at not only the costs of solar but the full benefits of solar and engage in an open, transparent, and stakeholder preferably driven process to determine what the value of solar is to the utility's system, I would urge this Commission not to accept the cross-subsidization argument as gospel.

So SACE is ready to have that discussion, and we believe it's a discussion that sorely needs to happen here in Florida. In fact, what is the value of distributed solar on not only FP&L's but the other

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investor-owned utilities' system?

And lastly I will just add that we cannot support the program in its -- as it's currently designed, but we would welcome any direction or -- from you, Commissioners, to the company to consider redesigning the program and/or to engage in a value of solar discussion that is stakeholder driven. Thank you.

> CHAIRMAN GRAHAM: Thank you, sir.

Vote Solar.

MR. HOYSRADT: I have a handout too, if -- for the staff.

I want to thank the Commission and Chairman here today for the opportunity to speak our thoughts on Florida Power & Light's voluntary solar program. My name is Justin Hoysradt, and I've spent the last 11 years selling and installing solar in Florida. in thousands, thousands of households and kitchen tables speaking with utility customers of all demographics about their energy concerns and the opportunities for I've seen firsthand how the important decisions made by this Commission affect customers and their behavior on a day-to-day basis.

I'm now the Florida Regional Manager for Vote We're a nonprofit organization, grassroots, working to bring solar to scale into the mainstream, and we have over 7,000 members here in Florida. I actually live in West Palm Beach, one of the cities proposed for this program.

I want to share with you the result of a poll taken in March seeking the opinions and input of those that you serve about solar energy in Florida. The results showed that people want more solar. Bipartisan super majorities, over 77 percent, want much more solar. The results are not surprising considering every year since 2010 rooftop solar PV incentives in this state have been fully subscribed within minutes.

In Central Florida, Orlando Utilities

Commission's first shared solar offering sold out in just six days. When given the opportunity to do so, it's clear that many homeowners and businesses in the Sunshine State want to get their power from the sun.

And it seems that Florida Power & Light knows this.

Living in Florida, it is hard to miss the television commercials promoting the benefits of solar developed by FPL. NextEra is one of the leading developers of wind and solar in this country, and we have no doubt that they can develop solar at scale, create more local jobs, and do it cost competitively as they have done in other markets. It is just disappointing that this proposed program does not reflect their ability.

According to the National Renewable Energy
Laboratory, approximately 75 percent of residential
housing is not suitable for rooftop solar panels. The
points were made earlier today. Add to that 30 percent
of Florida's population are renters, and it is clear to
see that a new model to give these customers an option
to choose solar energy is needed. Though FPL clearly
points this out, the proposal does not reflect an
appropriate model to do so.

I understand as regulators that you look to do things as efficiently as possible, which means not reinventing the wheel when you don't have to.

Fortunately at least ten states and more than 20 other utilities already have shared programs underway, programs that make business sense and produce tangible economic benefits to their customers. Therefore, we strongly recommend that the Commission use this proposal as an opportunity to draw lessons from successfully operating community-shared solar programs within Florida and across the country who have sought to effectively serve this need. And resurrecting an approach from FPL's 2003 highly scrutinized green pricing pilot is not the only option for Florida.

We've read and appreciate the staff's recommendations to approve this pilot, and we see how

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FPL, through the comments before and in their statements, have made it easy and convenient to do so. However, history tells us that when the utility runs a pilot, there is little to no incentive to make adjustments to their flight plan along the way, which means within the next three years we'll find ourselves in 2019 with no meaningful progress on how to connect the majority of Floridians and their energy customers to affordable solar energy.

"With the continued support of the Florida Legislature and the Public Service Commission, FPL will do more, much more in the coming years to build Florida's renewable energy industry." That was a statement made by Lew Hay in 2008. Fast forward to 2014 and we're sitting here evaluating a proposal that's for 2.4 megawatts at best. Is that really much more? Other utilities are signing gigawatts of solar contracts each year. And I would say that it's not much more, and I think we can do better.

While we hope that NextEra does continue to donate -- the NextEra Foundation donates to the charities that they've promised, we're still here to ask the Commission to respectfully disapprove the tariff at this time and do what may not be so convenient and initiate a process for stakeholder input to achieve a

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program design that truly benefits ratepayers; a program that is not based on charitable donations to solar but is more reflective of the current affordability model.

Solar is 80 percent more affordable now than in 2008 when the Commission first ordered a study to evaluate solar's potential in Florida. Initiate a process to unlock Florida's solar potential and seek program designs that will allow FPL to make good on the promise of doing much more solar in Florida. However, if the Commission decides that it must approve the tariff, we request that the Commission at minimum establish a stakeholder input process to run concurrently with the tariff implementation. It seems that FPL is open to that opportunity.

If the stakeholder process results in recommended program improvements, those improvements would be incorporated into the pilot. As I stated earlier, every pilot has a flight plan and makes adjustments along the way to get to the ultimate destination. And if we can all agree that that destination is more solar in Florida, we should be prepared to adjust our trajectory.

FPL states that this program is designed to better serve customer needs, and we believe that intention is true. So it would follow that giving the

customers and other stakeholders the opportunity to 1 2 inform program design is the right way to proceed. Today we get to make a difference. We get to help take 3 on the day and make changes for better. For us it's not 4 about doing what's convenient; it's about doing what's 5 right. That is a direct quote from one of FPL's 6 7 television commercials. I think we have that opportunity here today. I appreciate consideration of 8 9 these recommendations and thank you for your time. 10

CHAIRMAN GRAHAM: Thank you.

Okay. Commissioners. Commissioner Edgar.

COMMISSIONER EDGAR: Thank you, Mr. Chairman.

I do have a few questions.

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And I'm so sorry, I did not catch your name.

MS. MONCADA: Maria Moncada.

COMMISSIONER EDGAR: Welcome.

MS. MONCADA: Thank you.

COMMISSIONER EDGAR: My questions, I think, fall into two general categories. The first is kind of along the lines of the purpose and what this program and tariff is intended to achieve or accomplish. And then the second broad group of questions is more on implementation. So let me kind of approach it that way.

You did touch on this in your comments, but I'd like to come back to it. What is the purpose of

this program? What is FPL trying to achieve?

MS. MONCADA: We are trying to make solar, solar projects an option for the widest population of customers. As I mentioned, we realize that rooftop projects are not a realistic option for most of our customers.

COMMISSIONER EDGAR: How is this program for customers?

MS. MONCADA: The customer -- the program allows the customers for only \$9 a month to make a contribution that helps promote solar, and the more customers that sign up, the more solar projects that will be built within FPL's communities.

COMMISSIONER EDGAR: What is, along those lines, what is the goal? Do you have a -- I assume a lot of research went in before you proposed this particular program. So do you have a goal as to how many participants you are hoping will sign up, believe will sign up, intend to sign up?

MS. MONCADA: It is a pilot program and we really don't know what the ultimate enrollment levels will be. And we will use the data that we gather from the pilot program to determine which direction it should go in order to have the best enrollment possible. But we don't know ultimately what the enrollment levels will

1	be, nor do we think it should be capped at a certain		
2	level.		
3	COMMISSIONER EDGAR: But you have a goal for		
4	participation?		
5	MS. MONCADA: We do not have an ultimate goal.		
6	COMMISSIONER EDGAR: Okay. You said that		
7	you'll gather information and data, and I would hope so.		
8	I hope that would be part of it. So what type of		
9	information? I mean, demographic data as to what type		
10	of customer is choosing to send you \$100 a month?		
11	MS. MONCADA: We will be gathering data about		
12	the reasons why customers wish to participate and the		
13	methods that FPL can use to encourage enrollment to the		
14	widest population.		
15	COMMISSIONER EDGAR: How?		
16	MS. MONCADA: I have Cory Ramsel here with me.		
17	COMMISSIONER EDGAR: Sure.		
18	MS. MONCADA: And he may from FPL's		
19	development group and he may be able to answer your		
20	questions.		
21	COMMISSIONER EDGAR: Okay.		
22	MR. RAMSEL: Hi. Cory Ramsel with FPL		
23	development.		
24	Would you just repeat the question for me,		
25	please?		

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COMMISSIONER EDGAR: Sure. I was --

Ms. Moncada was telling us that you would be gathering information as to who was participating, what type of consumer is participating, and so I'm wondering how you are going to gather that data. In other words, what information will we have at the end of six months, a year, the three years as to those consumers who are choosing to voluntarily send \$9 a month for this program?

MR. RAMSEL: Yes. So currently our plan, and it's still being developed, is to start with what we think is a practical approach, leveraging a lot of electronic communication media to keep the cost down, to grow awareness, and encourage participation, and then along the way leveraging the same sort of customer feedback we employ in other programs to start to better understand why and what kinds of programs our customers would like and what types of characteristics would need to be implemented to encourage adoption. If there's a segment of feedback we receive that customers would like to see more of something, then try to, try to encourage that.

COMMISSIONER EDGAR: Yes. But, again, how?

How are you -- I mean, are you polling? Are you -
MR. RAMSEL: Yeah. We'll do some kind of

feedback with the customers, both participants and non, along the way to start to understand better why some are in the program and why some are not and help try and refine the program. Because our goal is to encourage adoption and give those an alternative, who otherwise have none, to support solar at a reasonable price in Florida.

COMMISSIONER EDGAR: Okay. So a goal is to encourage participation?

MR. RAMSEL: Absolutely. It's definitely to encourage participation and to grow awareness. We think solar is a key part of the mix, and we want to use this as an opportunity to educate our customers about what solar can do and grow the program.

COMMISSIONER EDGAR: Have you done polling information prior, on this proposal prior to introducing it?

MR. RAMSEL: No, we have not done extensive polling. Kind of just from a cost mitigation perspective, we've done some preliminary focus research and looked at other programs and tried to design based on other programs we've done historically. But part of our marketing design plan over the next couple of months will be to do some of that very detailed research and analysis to really refine some of the messaging and the

1 best methods to grow awareness.

COMMISSIONER EDGAR: Is this program cost-effective?

MR. RAMSEL: I would just -- my understanding of the design of the program and what we set out to achieve was to ensure the program was not being subsidized by nonparticipants and didn't cause any costs to be shifted to the nonparticipant.

COMMISSIONER EDGAR: I understand. Is it cost-effective?

MR. RAMSEL: So from a cost-effective -- I think if the voluntary contributor feels like his \$9 is well spent on growing solar in Florida, then I think it would be cost-effective. I'm not sure exactly what the definition of cost-effective you're referring to.

COMMISSIONER EDGAR: This Commission has spent many, many, many hours and resources hearing, debating, discussing what is cost-effective for utility programs.

Is there somebody that is a proponent of this program who can tell me if it is cost-effective under any of the measures that we generally use?

MR. RAMSEL: I'm not familiar --

MS. MONCADA: I too am not familiar with how this has measured against the -- how this sizes up against the measurements that are used for

cost-effectiveness. I think solar as a form of generation is right now not as cost-effective as the other forms of generation that FPL has in place and that from a solar perspective utilities feel solar is the most cost-effective. But we've used this program as -- and we'll use the leverage, what FPL has learned about solar, to make this as cost-effective as possible.

COMMISSIONER EDGAR: Mr. Chairman, I have many more questions, but I see that some of the lights are going to light up. So if I may, I will just ask a couple more, but then I will maybe want to come back, after I've relinquished the microphone, for a few moments.

What is the \$9 based upon? I mean, why isn't it \$6, \$12, \$8.99?

MS. MONCADA: Again, this was our effort to make this an affordable program. We didn't know whether the right, the right price was 6 or 10 or 8 or 9, but \$9 was the amount we chose to make this program affordable.

COMMISSIONER EDGAR: So what is it based upon?

MR. RAMSEL: So what we did do in the program

design was look at other programs we've done, optional

programs, and looked at the marketing and how successful

those programs have been, and we looked at the

expectation based on that feedback of various other 1 2 programs, how many people that we thought might participate. That's where we came up with the low and 3 high case. 4 Based on those cases, we figured out how much 5 solar could be built and then just did the math and came 6 7 up with how much the participants would need to contribute to support the program. 8 9 COMMISSIONER EDGAR: But you've told me that you don't have any idea how many participants there will 10 11 be. MR. RAMSEL: Well, we based that off the two 12 13 filed cases, the low and the high case. There's participation forecasts in there based on other 14 15 programs. We've done voluntary programs in the past. COMMISSIONER EDGAR: So you have forecasts of 16 17 how many you expect to participate. 18 MR. RAMSEL: Yes. That was in the exhibit you 19 have --20 COMMISSIONER EDGAR: How many, how many is 21 that? 22 MS. MONCADA: Again, just as a reminder, these

Under the high participation case, we -- under that illustration, by the end of the third year of the

are, these were just illustrative examples.

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pilot there would be 13,500 customers, and under the low 1 2 participation illustration there would be 7,800 3 customers. **COMMISSIONER EDGAR:** All residential? 4 MR. RAMSEL: No. We -- it's open to all of 5 our customers. 6 7 COMMISSIONER EDGAR: And so that \$9 would be the same amount for customers in other customer classes 8 9 other than residential? MR. RAMSEL: Correct. We didn't differentiate 10 11 by customer class or type. COMMISSIONER EDGAR: Okay. Mr. Chairman, I do 12 13 have more questions about implementation and advertising and marketing and promotion and also about the \$600,000 14 15 from the NextEra Energy Foundation. But, again, I see 16 some lights are on, so I'll ask you to come back to me. 17 CHAIRMAN GRAHAM: Commissioner Edgar, I sure will. 18 Commissioner Balbis. 19 20 COMMISSIONER BALBIS: Thank you. I just 21 wanted to follow up on a few questions for Florida Power 22 & Light, follow up with some of the issues or questions 23 that Commissioner Edgar had. 24 What do you anticipate the revenue requirement

FLORIDA PUBLIC SERVICE COMMISSION

to be if you move forward with the initial 300

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1	kilowatts?
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(Pause.)

MR. RAMSEL: All right. So in the Exhibit B we filed we gave both a low and a high forecast, and the revenue requirement differs between those because there's assumptions of additional installed capacity, so.

MS. MONCADA: Based on Exhibit B, 350 kilowatts would have \$499,000 of revenue requirements.

COMMISSIONER BALBIS: Okay. And then in staff's recommendation it states that FPL determined that there's a 5-cents-per-kilowatt-hour fuel savings with the solar facilities. So assuming that participation and then the 360 kilowatts, what is the annual fuel savings that you expect?

MS. MONCADA: \$19 under the scenario -- \$19,000 under the scenario of 350 kilowatts installed.

COMMISSIONER BALBIS: So \$19,000 in fuel savings per year; is that right?

 $\ensuremath{\mathsf{MR.}}$ $\ensuremath{\mathsf{RAMSEL:}}$ In the third year of the pilot, yes.

MS. MONCADA: In the third year of the pilot, if there were 350 kilowatts installed, there would be \$19,000 total of fuel savings.

COMMISSIONER BALBIS: Okay. And then,

FLORIDA PUBLIC SERVICE COMMISSION

Mr. Cavros, you mentioned that you recommend that a financial incentive be used for participants in order to encourage them to enroll in the program; right?

MR. CAVROS: With all due respect,

Commissioner, I didn't use the word "financial

incentive." I used the term "direct tangible benefit."

COMMISSIONER BALBIS: Okay. And that's why I questioned you, just to make sure. I mean, I -- so direct tangible benefit, what would be an example of that?

MR. CAVROS: It would be an example where a customer feels invested in a project; they know what they've signed up for and they understand the economic benefit to them. And, you know, a perfect example of that, again I'll cite OUC's program or any number of community solar programs that are -- have been constructed and are operational right now throughout the country, and that is one design option is to let customers choose blocks of a community solar program. And, again, there is no upfront cost for that program, and they are targeting the same customers that FP&L is targeting under their program.

And those customers, according to their block, that block will generate X amount of kilowatt hours each month, and that will offset what they would normally pay

on their bill based on the retail rate. And that rate will stay flat because there is no fuel cost for, for solar power throughout the life of the community solar project, which is 25 years. So they bought themselves a considerable hedge against rising retail rates. That's an economic benefit, it's tangible, and that's what's driving their decision, and that's why I believe the OUC program has -- became fully subscribed so quickly. They have 400 kilowatts in their community solar program and they have 21 times fewer customers in their service territory than FP&L.

COMMISSIONER BALBIS: And I appreciate that.

Unfortunately, we don't have OUC's program in front of
us to assess, and nor do we fully regulate them. And
what we have before us is Florida Power & Light's
program.

So my concern is that -- it's really the issue of subsidization. And if FPL moves forward with this program and that anticipates only \$19,000 in savings, that if we reduce the amount that, you know, show a reduction in the participant's bill, then the only way that can be accomplished is if other customers subsidize it.

So I'm still struggling with, with any sort of reduction in those participants' bills and trying to

assess again what Commissioner Edgar focused on is cost-effectiveness. And, you know, spending a half a million dollars to achieve \$19,000 in fuel savings is one way to look at whether or not it's cost-effective. And we do use, you know, other measures, which I don't want to cross dockets, but the solar programs have been assessed in detail and there's testimony on the cost-effectiveness of that.

And just one clarification from Florida Power & Light. It again goes to the fuel savings. And,

Ms. Moncada, I don't, I don't know if I heard you

correctly, but the fuel savings that's anticipated, in

the staff recommendation it indicates that the revenue

requirements minus avoided fuel, so those savings will,

then would allow FPL to move forward with additional

solar? Or how are the fuel savings being treated, the

costs associated with that?

MS. MONCADA: The fuel savings flow through the clause just as they normally would with any generation unit. All customers receive that. And it's — it also reduces the amount of contribution that the participants need to make. And that's what allows us to move forward with the next project, by having more contributions from the participants.

COMMISSIONER BALBIS: Okay. I think you had

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me until the second part of that. So I can understand that the overall pass-through, the fuel clause will be lower because you have that amount of savings. But explain again how --

MS. MONCADA: Sure. If we did not pass the fuel savings through that method, the participant contribution would necessarily have to be a little bit higher.

COMMISSIONER BALBIS: Okay. And so couldn't you make the argument that the participants are now subsidizing the general body of ratepayers by reducing their overall fuel costs?

MS. MONCADA: That the participants are subsidizing the general body of ratepayers?

COMMISSIONER BALBIS: Yes.

MS. MONCADA: No, that's not how it works.

But for the accounting portion of it, Sol Stamm from our regulatory accounting department is here to speak to that.

MR. STAMM: Good morning, Commissioners. Let me see if I can explain this. If you look at Exhibit B that was part of the petition, on the -- you had asked at the 300-megawatt level, that would be really our low participation case in case B.

Again, the idea of the pilot is over the

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three-year pilot period to make the nonparticipants whole. So if you look, there's a revenue requirement over the three years of about \$1.2 million over the three years. Also, there's customer contributions from the participants. And, again, growing that participation number from, up to 7,750 in the third year, we get contributions from the voluntary contributions of \$1.2 million.

So offset, if you look at a net rate base or -- I'm sorry -- a net base revenue requirements, it's basically zero. And then you have a three-year savings on the, that runs through the fuel clause for using solar, displacing gas. That would be \$34,000 over the three-year period, again, using the low participant case. So net over the three-year period would be zero in terms of revenue requirements.

COMMISSIONER BALBIS: Is there an easy way or practical way to allocate the fuel savings to the participants?

MR. STAMM: Fuel clause is designed to go back against the entire base of the population. I don't know that there would be an easy way to separate it out. In fact, I don't think there would be.

COMMISSIONER BALBIS: Okay. That's all I had for now.

CHAIRMAN GRAHAM: Commissioner Brisé.

COMMISSIONER BRISÉ: I think you might have answered this question, but going back to one of the questions that Commissioner Edgar asked, I don't think she ever got a clear answer. How many participants are in essence needed to keep the program afloat?

MR. STAMM: Again, what we provided in the, in the filing is two exhibits: One a high case, one a low case. In the low case, again, it goes to 350 kilowatts. And in that case, you grow the participation from, obviously from zero up to 7,750 participants in year three. That would net to, over the three-year period based on, on the megawatts that we put in place over the three years, 100, then 200 more, then 350 to total. That would make the program whole.

COMMISSIONER BRISÉ: Okay.

MR. STAMM: And there is as well a high participant case.

COMMISSIONER BRISÉ: Right. The high participant case, you're talking over 13,000 participants.

Okay. Question for Vote Solar.

MR. HOYSRADT: Justin.

COMMISSIONER BRISÉ: Justin, yeah. You know, the, when people quote polls, the questions associated

first graphic that you have in the set that you have there where 77 percent of Floridians support solar, what were the questions associated with that?

with the polls are extremely important. And so the

MR. HOYSRADT: The questions associated with the poll were regarding participating in net metering for rooftop solar, as well as being opposed to any additional charges tacked on by the utility for customers going solar, as well as participating in solar. And inclusive of that, independence also polled very highly as well.

COMMISSIONER BRISÉ: So, so customers basically said they're willing to pay more for solar?

Is that 77 percent, is that what you're implying?

MR. HOYSRADT: I do not believe they were willing to pay more for solar. They were just unwilling to agree to additional charges tacked on to the utility -- or their utility bill to choose to go solar.

COMMISSIONER BRISÉ: Okay.

MR. HOYSRADT: I think -- if that makes sense.

COMMISSIONER BRISÉ: Yeah, it does. So I think that that probably reflects the general -- I think everybody buys into the concept of solar. But then when you actually say let's make the rubber hit the road and this is what it takes, this is how much it costs, and

these are the impacts, and you need to have the other
plant necessary to provide power when, you know, when
solar is not available, the, the numbers change with
respect to that. Okay. Thank you for the

clarification.

MR. HOYSRADT: Okay. You're welcome.

CHAIRMAN GRAHAM: Commissioner Edgar, you have the floor.

COMMISSIONER EDGAR: Thank you. I want to come back to, to a little bit of the discussion that we were having earlier.

I had asked what the \$9 was based upon, and I understand the answer to be that you were looking for an amount that is affordable, I think is the word that you used, which I certainly commend. But then I also think in response to a later question that I heard, and I apologize, I'm not sure who, but one of you say that in trying to set that amount and what is affordable and what would be attractive to potential participants that you had looked at at least two other voluntary programs that you're offering. What other voluntary — what voluntary programs are you referring to?

MR. RAMSEL: So we -- our marketing department markets a number of programs, demand-side, other, otherwise programs that they administer. And they just

looked at, based on those marketing channels and customer response, those are where the data points were derived based on, you know, customers being willing to pay more for something. I don't have with me the exact programs that they pulled that data from.

COMMISSIONER EDGAR: Would it be accurate to say that those other programs have a commensurate benefit for participants?

MR. RAMSEL: I don't know exactly which programs they were looking at.

COMMISSIONER EDGAR: Or whether they benefit the participants?

MR. RAMSEL: I don't know the programs, so I couldn't tell you if they benefited or not.

COMMISSIONER EDGAR: Okay. Excuse me. How will this -- and you talked about using electronic means, and I applaud that as well, but how will this option be promoted, marketed, advertised?

MS. MONCADA: If we gain approval, we will develop a marketing plan. But our intent is to market it through social media, through a web -- through our website. We will use the newsletters that go out with the bills. And if there are any other channels, our marketing department will develop a plan to use those.

COMMISSIONER EDGAR: And that will be paid for

through what? Where is the money coming from to pay for 1 2 that marketing and advertising? MS. MONCADA: The marketing and advertising 3 will be paid for by the participant contributions. 4 However, a very important component of this project is 5 that we have promised to cap the marketing expenses at 6 7 no more than -- marketing and administrative expenses at no more than 20 percent of the contributions that we 8 9 receive on an annual basis. 10 COMMISSIONER EDGAR: Image enhancing 11 12 13

advertising is prohibited to be paid for by ratepayer Is this an image enhancing program for FPL?

MS. MONCADA: We would make sure to obey the Commission rules and not have this be image enhancing for FPL.

COMMISSIONER EDGAR: Okay. I want to switch, switch areas a little bit and focus on the part of the program that has the \$200,000 to nonprofit organizations.

> MS. MONCADA: Okay.

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COMMISSIONER EDGAR: Which I also find perplexing from a policy standpoint.

What is the link? What's the nexus between trying to encourage participants to tack an extra cost onto their bill to contributing to other charitable

organizations? What's the link? Why is this together? 1 MS. MONCADA: It is another method during the 2 pilot period of encouraging enrollment and showing the 3 participants something that they would receive at least 4 during the pilot period. And it also has a connection 5 6 7 COMMISSIONER EDGAR: What would the participants receive during the pilot period? 8 9 MS. MONCADA: They would receive the ability to vote for the charity of their choice among a list of 10 charities, and the \$200,000 would be allocated 11 accordingly. So if there were a list of seven charities 12 13 and one of them got 10 percent of the vote, they would 14 get -- that charity would receive \$20,000 that year just 15 as an example. COMMISSIONER EDGAR: And how would that voting 16 17 occur? 18 MS. MONCADA: It could be done through mail or 19 through web means, web-based means. COMMISSIONER EDGAR: I know how it could be 20 21 done. 22 MS. MONCADA: Oh. 23 COMMISSIONER EDGAR: How will it be done? 24 MS. MONCADA: I don't think that has been 25 decided at this point.

MR. RAMSEL: Correct.

COMMISSIONER EDGAR: Who will choose the charitable organizations that are eligible to be voted upon?

MR. RAMSEL: We actually already have selected, I want to say, six organizations that we think represent and are committed to environmental and community causes within the footprint of our territory that will be allowed in the first year. We'll revisit that list if other organizations become preferential, but we, for the first projects and participation, have selected six charities.

COMMISSIONER EDGAR: So, again, what's, what's the connection? I'm sorry. I'm just, I'm missing it.

I just don't -- allowing certain participants to vote on where FPL puts some of its charitable funds, what does that have to do with a \$9 voluntary contribution?

MS. MONCADA: The charitable list, as I understand it, also has — they are also environmental organizations, and we think that it would attract similar segments of, of customers. And, therefore, customers who are interested in, who might be interested in solar programs may also like the additional incentive to also receive those monies to contribute to environmental type of organizations.

and I believe you mentioned in your opening comments that the \$600,000 would come through the NEE Foundation. I am not familiar with the NEE Foundation. What is it? Who is it? Where does the money come from?

MR. RAMSEL: The NextEra Foundation is our shareholder-funded charitable organization that does support programs of this type, and they are committing an incremental \$200,000 per year on behalf of this program to be directed by the participants to local organizations.

COMMISSIONER EDGAR: Are all charitable and community contributions made by FPL through the NEE Foundation?

MR. RAMSEL: I'm sorry. I don't, I don't have the answer to that.

COMMISSIONER EDGAR: It was a little unclear to me in the write-up that we had, is this \$600,000 in addition to the charitable contributions that FPL and/or NEE make annually within your service territory or is it a part of?

MR. RAMSEL: These are incremental funds that our shareholders are committing to support this program.

COMMISSIONER EDGAR: Is it in addition to or is it a part of?

MS. MONCADA: I think what I'm unclear about 1 is is it in addition to what? I apologize. 2 3 COMMISSIONER EDGAR: To the amount of charitable contributions that are funneled, that are 4 5 given by either FPL or funneled through NEE annually. Are you ponying up \$600,000 more than you would without 6 7 this, than you would without this program, or is it a redirection of \$600,000 that you would already be 8 9 giving? MR. RAMSEL: It's an incremental. This is not 10 just a re-purposing of funding. No. 11 12

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COMMISSIONER EDGAR: I'm not understanding what you mean by it's an incremental.

MS. MONCADA: It's in addition to.

COMMISSIONER EDGAR: Okay. At the end of the writeup that we have in the staff recommendation in the item before us there is one attachment, Attachment 1. And at the very bottom in the last section, rules and regulations, there's a sentence, and I'll just read it because it's short. "In case of conflict between any provisions of this schedule and said general rules and regulations for electric service, the provisions of this rider shall apply." Are there conflicts?

MS. MONCADA: We don't know of any.

COMMISSIONER EDGAR: I just want to look at my

FLORIDA PUBLIC SERVICE COMMISSION

notes, Mr. Chairman, for one moment to see if I've missed anything.

Not right now. Thank you.

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CHAIRMAN GRAHAM: Commissioner Balbis.

COMMISSIONER BALBIS: Thank you. I have a question or two for Florida Power & Light.

You mentioned, you know, this is a pilot program and there's some flexibility as enrollment increases, et cetera. What are, what are some of the, what are some examples of flexibility that you see that FPL has as this program moves forward?

MR. RAMSEL: I think the flexibility is really related to two aspects. One is as far as the program execution is concerned in terms of actually building and costs and where and those kinds of things there's a lot of flexibility in the program, to put it where we get a lot of feedback from our customers they'd like to see these projects and contributions to be placed.

But along the way, of course, is to, as we addressed prior, the feedback from the customers on maybe better means and methods to communicate with customers what kind of information they would like to see on a regular basis, education wise I think is what we were kind of referring to in terms of the flexibility of the program.

COMMISSIONER BALBIS: Okay. And if you see high participation levels in certain areas, are you going to look at possibly locating facilities in those areas so that those customers can see a tangible result?

MR. RAMSEL: That's an absolute key part of what we intend to do. We started with five communities that we know have a very strong commitment to the environment and solar and have expressed those to us. But as we see more and more participation in certain areas, we definitely intend to try and locate close to those communities so they definitely do feel that connection to the project.

COMMISSIONER BALBIS: Okay. And then I'd like to spend a little bit of time on the handout with the polling. And to follow up on what Commissioner Brisé asked on the, your first point on that, the super majority or 77 percent of Floridians, and I quote, support the right to be able to generate their own energy via solar power. You do know that Floridians do have the right to generate their own solar power with our net metering rule, et cetera?

MR. HOYSRADT: I'm aware of that.

COMMISSIONER BALBIS: Okay. So I just wanted to point that out. I mean, it seems like your flier seemed to state that they do not have that right and

they are able to do solar in Florida.

MR. HOYSRADT: I respectfully disagree that I

they're in favor of it, and they do have that right now.

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don't believe that it states that, but I do agree that

COMMISSIONER BALBIS: I was just reading from

the flier itself and I quoted it. But I just wanted to

point out that they do have that right to do so, and I'm

glad you agree.

Well, this is an interesting program. know, I am comforted by the fact that the general body

of ratepayers is protected. So although there are

programs that are not perfect, but I'm glad that FPL

still maintains the flexibility to adjust this moving

forward. That's all I have for now.

CHAIRMAN GRAHAM: Any further discussion?

Commissioner Edgar.

COMMISSIONER EDGAR: I missed the flexibility while this program is in place. And I know you asked that question and I know you answered it, but I'm not sure I understood it. What is the flexibility during the time period of this pilot program?

MR. RAMSEL: Yes. So it really addresses that we, we don't have a rigid plan, so we will be able to adjust the program as appropriate, whether it's by putting projects in different locations and where people

would like to see those projects built first is in predefined locations. The program will grow and adjust in size and scale as participation changes. And then in terms of the marketing and messaging in terms of how we connect it to the customers, what they're looking for in terms of communications and feedback, to, to improve that connectivity to the projects and their commitments, that's the kind of flexibility we're talking about.

COMMISSIONER EDGAR: Thank you.

CHAIRMAN GRAHAM: Commissioner Brisé.

COMMISSIONER BRISÉ: Thank you, Mr. Chairman.

This is a comment, not a question. I think that a pilot is supposed to have a particular purpose, and at the end of the pilot you should be able to look back and identify the data points that you were actually looking to explore. I think this pilot may provide some opportunity to do that. I am, however, interested in seeing that that data is widely available not only to the Commission but to other parties, other stakeholders so that it will be useful for the future.

I mean, there are a couple of things about the pilot that concern me, but considering that the, those participants will be paying for the, for the pilot and in essence not affecting the whole body of ratepayers, I can live with it. And so with that though I would

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strongly suggest that FPL look to work with the stakeholders to see how maybe the next wave of project or whatever the intent is to come out of this pilot, that it be -- that it would take a look at what other stakeholders have to say to make it better.

MS. MONCADA: Absolutely, Commissioner. Thank you.

CHAIRMAN GRAHAM: Commissioner Balbis.

COMMISSIONER BALBIS: Thank you, Mr. Chairman. And just a closing comment from me at least. You know, not only was I concerned about the possible subsidization for other, for the general body of ratepayers, but the other main concern that I have is that there's assurances that those that participate know that the dollars that they spend are going towards construction of these facilities. And I believe that there are protections in place so that we can clearly track that and it isn't just something that goes to the bottom line or to additional profits for Florida Power & Light and it's going towards construction. With that protection in place and with the assurances that there are no subsidization issues, I'm supportive of this tariff.

CHAIRMAN GRAHAM: Is that a motion?

COMMISSIONER BALBIS: Yes, Mr. Chairman. I

move staff approval on all issues in this docket.

COMMISSIONER BROWN: Second.

CHAIRMAN GRAHAM: It's been moved and seconded, staff recommendation on all issues on item number 10. Any further discussion?

Commissioner Edgar.

COMMISSIONER EDGAR: Thank you, Mr. Chairman.

I am going to vote against the motion. I appreciate the rationale that you've laid out.

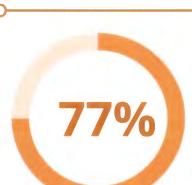
I want to go on record as saying that I am fully supportive of innovative efforts to bring more renewables to our fuel portfolio, and I know that as a Commission we will continue to look at those issues broadly. I am, quite frankly, a little stunned at the lack of answers that I've been given today, and I do not have the comfort level that I would like to have as to how the program is going to be marketed and promoted and targeted. I think that's a very important piece of it. And to ask us to bless a program that you don't even know if it's cost-effective without telling me how you're going to reach out to consumers and explain it to them is just something that gives me some discomfort.

But I do want to again be clear that, you know, I applaud innovative thinking. I want that to be a part of what you do, what we do, what the stakeholders

contribute as well. We do have, as has been mentioned, 1 other dockets that are looking at many related issues, 2 3 and I do believe that in the year ahead we will continue to look at ways to bring more solar and more renewables 4 and more fuel diversity and flexibility into the state, 5 and I look forward to those with enthusiasm. 6 7 CHAIRMAN GRAHAM: Any other comments? Seeing none, all in favor, say aye. 8 9 (Vote taken.) Any opposed? 10 11 COMMISSIONER EDGAR: Aye. 12 CHAIRMAN GRAHAM: By your action, you have approved staff recommendation on item number 10. 13 14 Staff, thank you very much. Vote Solar, SACE, Florida Power & Light, thank you very much for coming. 15 MR. CAVROS: Thank you, Chairman. 16 17 MR. HOYSRADT: Thank you. 18 CHAIRMAN GRAHAM: Thanks for your comments as 19 well. That concludes the meeting. I hope that you all enjoy your week, travel safely, and we're adjourned. 20 21 (Agenda Conference adjourned at 10:59 a.m.) 22 23 24 25

1	STATE OF FLORIDA)
2	: CERTIFICATE OF REPORTER COUNTY OF LEON)
3	
4	I, LINDA BOLES, CRR, RPR, Official Commission
5	Reporter, do hereby certify that the foregoing proceeding was heard at the time and place herein
6	stated.
7	IT IS FURTHER CERTIFIED that I stenographically reported the said proceedings; that the same has been
8	transcribed under my direct supervision; and that this transcript constitutes a true transcription of my notes of said proceedings.
9	
10	I FURTHER CERTIFY that I am not a relative, employee, attorney or counsel of any of the parties, nor am I a relative or employee of any of the parties' attorney or
11	counsel connected with the action, nor am I financially interested in the action.
12	DATED THIS 18th day of August, 2014.
13	DATED THIS TOUT day of August, 2014.
14	$\mathcal{L} \cdot \mathcal{L} = \mathcal{L}$
15	Ginda Boles
16	LINDA BOLES, CRR, RPR
17	FPSC Official Hearings Reporter (850) 413-6734
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Shared Solar Works For Florida



Supermajority

77% of Floridians support the right to be able to generate their own energy via solar power.

Bi-Partisan Results

Republican, Democrat and Independent respondents support solar in high numbers.





78%

VOTE SOLAR

Harstad Strategic Research Poll Results: https://www.flaseia.org /super-majorityfloridians-support-netmetering/

nternal Affairs/agenda on 8/12/14 Item No. 10



75%

75% of homes cannot go solar: http://www.nrel.gov/ docs/fy09osti/44073. pdf

Shared solar serves the majority

Represents the approximate number of Florida Residents that could benefit from a shared solar program because they do not have access to rooftop solar options, based on a study conducted by The National Renewable Energy Laboratories (NREL).

Gallons of water per MWH

Traditional fossil fuel power plants consume one of Florida's most protected resources at an alarming rate in comparison to solar.

Solar PV



Installed in 2013

Natural Gas



300g



Power Plant vs PV Water Usage: http://www.kcet.org/ne ws/rewire/solar/factcheck-how-muchwater-does-solarpower-really-use.html

Top 10 States in Solar in 2013

- 1. California
- 2. Arizona
- 3. North Carolina
- 4. Massachusetts
- 5. New Jersey
- 6. Hawaii
- 7. Georgia
- 8. Texas
- 9. New York
- 10. Colorado

Florida is falling behind

1314

The number of MW which Southern California Edison signed in August 2014 to bring online within the similar time period as FPL's Volunteer Solar Program is planned.

Florida Solar Ranking: http://www.seia.org/re searchresources/2013-top-10-solar-states & http://www.seia.org/st ate-solar-policy/florida

SCE newest PPAs:
http://newsroom.edison
.com/releases/sce-tobuy-more-than-1-500megawatts-ofrenewable-power-fromnew-solarexisting-geothermalresources