

**Christopher Cooney**

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**From:** George Cavros <george@cavros-law.com>  
**Sent:** Friday, April 10, 2015 1:14 PM  
**To:** Office Of Commissioner Graham; Office of Commissioner Brisé; Office Of Commissioner Edgar; Office of Commissioner Brown; Office of Commissioner Patronis; Steven R. Griffin; rlmcgee@southernco.com; Jeffrey Stone; J. R. Kelly  
**Cc:** Lee Eng Tan; Records Clerk  
**Subject:** SACE letter of support for Gulf Power Solar PPAs; Docket No. 150035-EI  
**Attachments:** SACE support letter for Gulff Solar PPAs-Docket No 150035.pdf

Dear Public Service Commissioners and Parties,

On behalf of Southern Alliance for Clean Energy, I have attached the organization's letter of support for the Gulf Power solar PPAs being considered in Docket No. 150035-EI.

Thank you,

George Cavros

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April 10, 2015

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

**Re: Docket No. 150035-EI**

Dear Commissioners:

Southern Alliance for Clean Energy wishes to express support for Gulf Power's request for approval for cost recovery of three negotiated contracts for the purchase of solar power in Docket No. 150035-EI.

On January 22, 2015, Gulf Power Company filed a petition requesting approval for cost recovery of three negotiated contracts for the purchase of energy between Gulf Power and Gulf Coast Solar Center I, LLC, Gulf Coast Solar Center II, LLC, and Gulf Coast Solar Center III, LLC. The contracts mark not only an important step in growing installed solar capacity in Florida, but also the establishment of a unique partnership between Gulf Power and the US military.

The three solar facilities, totaling 120 megawatts (MW), associated with the agreements are expected to deliver approximately 240,000 megawatt-hours (MWh) of cost-effective energy to Gulf Power on an annual basis. Based on the Company's 2014 energy budget, the agreements would result in a total savings of approximately \$17.4 million (in 2015 dollars), with savings occurring in each year of the 25 year term. Even with the adjusted fuel forecast in Gulf Power's 2015 energy budget, the contracts continue to provide clean, cost-effective power. Moreover, Gulf Power's cost evaluations did not take into account the anticipated economic benefits of these projects in assisting with future compliance with the Clean Power Plan or other federal or state requirements to reduce CO<sub>2</sub> emissions.

The Commission should also consider whether these cost-effective solar contracts could be pursued in greater volume, which would have the effect of putting downward pressure on customer rates. Since Florida's Ten-Year Site Plan review includes neither consideration of alternative resource portfolios nor meaningful stakeholder input, we believe Florida's utilities may have been missing such opportunities in the past. We further believe that there is no currently existing resource planning process in which the Commission and interested parties can determine whether the utilities are being sufficiently proactive on solar power development. Gulf Power is to be commended for moving forward with these contracts, and they provide the Commission with a useful indication of solar's potential to provide a clean

energy alternative to non-renewable generation as the Commission considers resource planning issues in other proceedings.

SACE strongly supports the development of solar energy as an increasingly cost effective generation resource with no fuel costs, no fuel volatility and no significant environmental impacts from its production. Gulf Power customers will ultimately benefit from a robust solar energy market with a diversity of technology and ownership structures—both utility-owned and non-utility owned. The approval of the proposed power purchase agreements represents a step in the right direction for Florida, and accordingly, SACE supports expedited approval of the requested contracts.

Sincerely,

A handwritten signature in black ink, appearing to read "Toni Nelson", with a long, sweeping horizontal line extending to the right.

Toni Nelson  
Renewable Energy Manager