

BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION

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In the Matter of:

DOCKET NO. 20170212-EI

PETITION FOR ONE-YEAR
EXTENSION OF VOLUNTARY
SOLAR PARTNERSHIP RIDER
AND PROGRAM, BY FLORIDA
POWER & LIGHT COMPANY.

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PROCEEDINGS: COMMISSION CONFERENCE AGENDA
ITEM NO. 13

COMMISSIONERS
PARTICIPATING: CHAIRMAN JULIE I. BROWN
COMMISSIONER ART GRAHAM
COMMISSIONER RONALD A. BRISÉ
COMMISSIONER DONALD J. POLMANN
COMMISSIONER GARY F. CLARK

DATE: Tuesday, December 12, 2017

PLACE: Betty Easley Conference Center
Room 148
4075 Esplanade Way
Tallahassee, Florida

REPORTED BY: ANDREA KOMARIDIS
Court Reporter and
Notary Public in and for
the State of Florida at Large

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1 P R O C E E D I N G S

2 CHAIRMAN BROWN: All right. Our last item is
3 Item 13.

4 MR. DOHERTY: Morning, once again,
5 Commissioners, Madam Chairman.

6 CHAIRMAN BROWN: If you would, just -- one
7 moment while the parties get settled.

8 MR. DOHERTY: Oh, yes, ma'am.

9 CHAIRMAN BROWN: Thank you.

10 MR. DOHERTY: Yes, ma'am.

11 CHAIRMAN BROWN: Please proceed.

12 MR. DOHERTY: My name is Riley Doherty with
13 Commission staff.

14 Item 13 is a petition filed by Florida Power &
15 Light for a one-year extension of it's
16 voluntarily -- voluntary solar partnership program.
17 The program was first approved in 2014 as a three-
18 year pilot with enrollment beginning in May of
19 2015. This one-year extension will allow FP&L to
20 gather additional data regarding customer interest
21 and the long-term viability of the VSP program.

22 Staff recommends approval. And company
23 representatives are also here for questions.

24 CHAIRMAN BROWN: Thank you.

25 And I -- I do have a few questions for FPL, so

1 I'm happy that you are up here today regarding
2 these projects. How big are these projects?

3 MS. MONCADA: You mean the size of the
4 individual projects?

5 CHAIRMAN BROWN: Yes.

6 MS. MONCADA: Okay. With me here today is
7 Matt Valle, vice president of FPL, who oversees the
8 program. The -- and he's here also to -- available
9 to answer questions. We have projects of various
10 sizes and Mr. Valle can describe them.

11 CHAIRMAN BROWN: Thank you.

12 MR. VALLE: They're anywhere from --

13 CHAIRMAN BROWN: Can you push your mic?

14 MR. VALLE: Yeah, sure.

15 CHAIRMAN BROWN: It's on.

16 MR. VALLE: There we go. They're anywhere
17 from three kilowatts for the smaller solar-tree
18 installations that we're doing 'til up to maybe
19 200, 250 kilowatts for larger parking canopies.

20 CHAIRMAN BROWN: So, in total, how many
21 projects? And what's the -- the sum of the
22 kilowatts?

23 MR. VALLE: Well, underway right now, between
24 projects that are in service or under construction,
25 we have 50. That's 50 different locations. And

1 then, if you sum that all up, it's just over two
2 megawatts.

3 CHAIRMAN BROWN: Is it on FPL-owned land or
4 are there additional land costs associated with
5 this project?

6 MR. VALLE: There's no additional land costs.
7 We don't procure land for these. We usually get a
8 lease with the -- with the host sites. So, there's
9 no land associated with the program.

10 All of the sites are in, usually, public
11 places, parks, in front of city buildings, things
12 like that.

13 CHAIRMAN BROWN: But the customers aren't
14 necessarily getting that direct energy or -- and
15 they're also not getting any credits.

16 MR. VALLE: Well, it's correct they don't get
17 any credits, but the energy does go back into the
18 grid. So, what the customers are -- are
19 effectively doing is -- is helping to bring new
20 solar assets. Again, 50 of those, you know, in
21 very public places. And the energy is going into
22 the overall grid, not to the host site.

23 CHAIRMAN BROWN: Okay. That's -- that's good.

24 How -- and the -- it seems that the
25 participants are growing. How are you marketing

1 the program?

2 MR. VALLE: It's been mostly through e-mail
3 marketing. We had probably 7,000 participants in
4 the program a year and a half ago. We fixed the
5 way that we were doing the e-mail marketing.
6 Basically, you don't have to type in your account
7 number and your pass code anymore.

8 Since that time -- probably also because of
9 general awareness -- we've had a lot more customers
10 come into the program. So, we're close to 27,000
11 customers in right now. Most of those have come in
12 in the last year.

13 CHAIRMAN BROWN: Which I'm amazed. I'm amazed
14 by the number.

15 MR. VALLE: It's a huge number. And I think
16 that's one of the reasons that we're looking for
17 the extensions, to better understand what do they
18 want out of this program going forward; how else
19 can --

20 CHAIRMAN BROWN: And why do they want it.

21 MR. VALLE: Yeah. Right.

22 CHAIRMAN BROWN: So, we approved a program in
23 the Gulf matter. And -- and in that part of the
24 rate case -- I believe it was Gulf -- Gulf had a
25 provision that would provide that credits would go

1 back to the customers, the participants.

2 MR. VALLE: Uh-huh.

3 CHAIRMAN BROWN: Has FPL considered that as
4 part of this program?

5 MR. VALLE: We are -- we've done some market
6 research with the participants of the SolarNow
7 program, and indicated in our filing that we're
8 very seriously considering a program like that for
9 the future.

10 One of the other things that we want to
11 understand from this additional extension is the
12 extent to which SolarNow participants would want to
13 participate in an additional program. Would it
14 cannibalize our, you know, SolarNow program, our
15 Voluntary Solar Program or -- or should we kind of
16 transition to a shared solar program that's
17 providing a direct credit to the customer's bill.

18 CHAIRMAN BROWN: What percentage are the O & M
19 costs on this program?

20 MR. VALLE: They're extremely low. I mean,
21 the only -- the only -- most of these assets are
22 relatively new. So, the O&M costs, thus far -- we
23 had a minor amount of damage from the storm and
24 then lease payments, really. That's it. There
25 hasn't been really any maintenance, yet, required

1 of these.

2 CHAIRMAN BROWN: So, after this, if we approve
3 this item, after the 12-month period, are you going
4 to come back to the Commission and share the
5 information or are you going to make a
6 determination that this should be a permanent
7 program?

8 MR. VALLE: I -- I think that's our intention.
9 We would come back next year, share kind of all the
10 learnings today -- we're learning a lot right
11 now -- and kind of lay out what we would like to do
12 with this program, and then probably be able to
13 talk more about this other program that provides a
14 direct credit.

15 CHAIRMAN BROWN: What percentage of the
16 participants are commercial customers?

17 MR. VALLE: Very few. It's -- we haven't
18 necessarily marketed it just to residential
19 customers, but it's going to be less than a hundred
20 of the 27,000 are commercial customers.

21 CHAIRMAN BROWN: So, I asked you a question
22 about marketing, how you're marketing. You said
23 via e-mail or --

24 MR. VALLE: Mostly via e-mail, uh-huh.

25 CHAIRMAN BROWN: How are you mark- -- but in

1 terms of marketing the program, what are the
2 benefits that you're marketing to the customer --

3 MR. VALLE: Oh, how we explain the program.
4 Well, we're talking about, it's a way to
5 participate in solar, bring solar to your
6 community; different than maybe some other programs
7 out there.

8 If you're making a contribution, we are
9 seek- -- we're -- we're looking to see where
10 customers are signing up. And we're going to those
11 communities and saying, is there a popular public
12 park where we could put a solar canopy or a solar
13 tree; try to make it functional. So, that's part
14 of, I think, why some of the customers are signing
15 up.

16 We've done more market research, and some of
17 them, frankly, want to do -- you know, they want to
18 participate in anything solar. And so, this is the
19 one vehicle right now that FPL has to -- you know,
20 above and beyond what we're doing in universal
21 solar, for them to participate.

22 So, they know they're bringing new solar
23 assets. It's -- it's -- it is, you know, putting
24 energy onto the system from solar power, which is
25 backing down less-efficient generation. And it's

1 doing it in a very visible way. And we have, you
2 know, built kind of an online platform to tell more
3 of the story about what this program is doing, but
4 also what FPL is doing broader with solar energy.
5 So, there's kind of an educational and awareness
6 component that goes with this. And we've -- you
7 know, in our research --

8 CHAIRMAN BROWN: With the other solar projects
9 that FPL is doing.

10 MR. VALLE: Exactly -- found that customers
11 are also excited about that.

12 CHAIRMAN BROWN: Okay. I appreciate the
13 explanation and rationale for all of those. Thank
14 you very much.

15 Commissioner Brisé.

16 COMMISSIONER BRISÉ: Thank you, Madam Chair.

17 And I -- I posed this question in my briefing,
18 and staff didn't necessarily have this information.
19 So, they directed me to ask the company when this
20 opportunity came.

21 Are there similar programs anywhere else in
22 the country?

23 MR. VALLE: Well, I think there's -- there's
24 some -- certainly some unique things that the
25 SolarNow program has, but generally, we look at it

1 as kind of a green pricing program. And there's a
2 variety of those in the country, across the
3 country. Most of them have been, historically,
4 wind programs.

5 The National Renewable Energy Lab estimates
6 there's 800,000 customers across the U.S. that are
7 in some type of green pricing program, which
8 doesn't necessarily provide a credit on a bill. It
9 could be, you know, a rec-based program.

10 It could be incenting the utility to go out
11 and procure renewables, maybe -- you know, and this
12 is, again, historical to above-market rates, but
13 there's an increasing number of community solar
14 programs that are based on getting a direct credit
15 on the bill. And there, the estimates -- you know,
16 it's probably less-reliable because a lot of them
17 are underway, but we think, you know, there's a
18 variety of programs across the country.

19 In the state, there's, you know, Gulf, Duke,
20 TECO, OUC, JEA have similar programs. So, it's --
21 we certainly, you know, see, going forward, that
22 that is probably going to be a program that we
23 should be offering, too.

24 COMMISSIONER BRISÉ: So, the second part of --
25 of what I was trying to get from -- from my

1 conversation with staff was how does FPL's growth
2 rate in the program compare to other similarly-
3 situated programs? And is there a place that it
4 plateaus? Or how long are you able to keep
5 customers -- I mean, I know this is year one.

6 MR. VALLE: Yeah.

7 COMMISSIONER BRISÉ: So, you probably need
8 more time, but do we know from other similar-
9 situated programs how long customers stay on
10 without a credit --

11 MR. VALLE: I see.

12 COMMISSIONER BRISÉ: -- and so forth.

13 MR. VALLE: Short answer is that we don't
14 know. We need to do more research on that. We
15 have a lot of new customers in our program. I
16 think, with other programs, looking historical may
17 not be true going forward. As the credit-based
18 programs become more and more competitive with
19 alternatives like rooftop, solar, I -- I think -- I
20 would expect that customers would migrate over time
21 to programs like that.

22 I think the green pricing programs, certainly,
23 you know, played a role and continue to play a
24 role. The question that we have asked ourselves is
25 where would that -- you know, we've had very strong

1 growth over the last year. Where does that tap
2 out.

3 COMMISSIONER BRISÉ: Right.

4 MR. VALLE: 27,000 of roughly four million
5 residential customers, but how high will that go
6 and what will happen if we introduce an alternative
7 program to that, you know, at the same time.

8 COMMISSIONER BRISÉ: Okay. Thank you.

9 CHAIRMAN BROWN: Commissioner Clark followed
10 by Chairman-Elect Graham.

11 COMMISSIONER CLARK: Thank you, Madam Chair.

12 A couple of questions. Of -- of all the solar
13 projects that -- that we've looked at or that we've
14 viewed, I think community solar probably has the
15 best application, in my opinion, but I would like
16 to know, as compared to an integrated utility scale
17 program, is there a capacity difference that you
18 calculate in terms of what you're adding back to
19 capacity; not necessarily energy, but capacity
20 alone on community scale versus a utility scale
21 project.

22 MR. VALLE: There is. We -- we don't measure
23 capacity, necessarily, for these smaller assets.
24 We obviously do for universal projects. The
25 smaller assets, if it's a solar tree and it's in a

1 park, depending on the direction it's facing, it
2 may have a different capacity credit if we had
3 measured it, versus a canopy. And you know, we
4 have to orient -- one thing we've learned is we're
5 trying to integrate it into spaces. So, we can't
6 always optimize the way we can in an open field.

7 The way that we do look at it is its
8 effectively the energy that these are producing are
9 netting down our overall load. So, we're not
10 assigning it a capacity credit. We're not trying
11 to -- to justify it, you know, with -- with that
12 extra value. We're simply looking at the energy
13 it's putting into the grid and it's displacing
14 other generation.

15 But it's not -- I mean, it's a two-megawatt
16 program when it's constructed, you know, next year.
17 We're not -- it's not even in the resource plan,
18 necessarily.

19 COMMISSIONER CLARK: And finally, when it
20 comes to -- you've given us assurances that there's
21 no other classes that will be subsidizing these
22 type of projects. How do you -- how do you ensure,
23 assuming that the company -- employees are the ones
24 that are the ones that are working on the -- how
25 are you ensuring that one class of customers are

1 not subsidizing a solar project?

2 MR. VALLE: Well, we -- we manage the program
3 financials such that the long-term, cumulative
4 present value of revenue requirements of the
5 program is -- is zero.

6 So, one of the other learnings we've had is,
7 as you take on customers, you're bringing in
8 revenue, you have to go deploy capital, you know,
9 projects against that. And there is inherently a
10 lag, right, from knocking on the door of a host
11 site to the time we get a project in service.

12 So, while there's a short-term impact to that,
13 long-term, we designed this so that we get back to
14 that balance of zero. And one of the ways we
15 manage it on our team is we don't overbuild
16 projects. We wait until we have a sufficient
17 number of customers for the next project. And then
18 we would go build that project so we're not kind of
19 getting ahead of where customer participation would
20 be.

21 COMMISSIONER CLARK: Great. Thank you.

22 CHAIRMAN BROWN: Chairman-Elect Graham.

23 COMMISSIONER GRAHAM: Well, thank you, Madam
24 Chairman.

25 I have to say, I am pleasantly pleased by this

1 program. I know there was some people very skeptic
2 about it, starting. I guess my -- my thought
3 process was, even if -- even if it doesn't work,
4 it's okay because it's not costing anybody
5 anything. I mean, it's a volunteer program.

6 And for the fact that you have 27,000
7 people -- that's just -- to me, that's just huge.
8 I mean, what is that -- 27,000 times nine, two --
9 \$243,000 a month. That's huge. I mean, I -- I --
10 I applaud you, and I continue to do this and move
11 forward.

12 MR. VALLE: Thank you.

13 CHAIRMAN BROWN: Thank you, Chairman-Elect
14 Graham. And I'm -- I'm curious to see who those
15 participants are, the demographics of -- I am
16 curious to see who is -- who is interested in this
17 type of program. So, I look forward to the next 12
18 months and you gathering data or coming back to us
19 and sharing some of that with us.

20 MR. VALLE: Yeah. We will do.

21 CHAIRMAN BROWN: If that concludes questions
22 and comments, we're ripe for a motion.

23 COMMISSIONER GRAHAM: Move staff.

24 CHAIRMAN BROWN: Is there a second?

25 COMMISSIONER BRISÉ: Second.

1 CHAIRMAN BROWN: Any further discussion?

2 All those in favor, say aye.

3 (Chorus of ayes.)

4 CHAIRMAN BROWN: Motion passes unanimously.

5 Thank you for being here.

6 (Agenda item concluded.)

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COUNTY OF LEON)

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DATED THIS 21st day of December, 2017.



ANDREA KOMARIDIS
NOTARY PUBLIC
COMMISSION #GG060963
EXPIRES February 9, 2021