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March 18, 2019

VIA: ELECTRONIC FILING

Mr. Adam J. Teitzman
Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

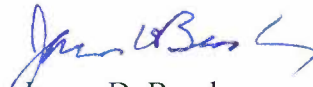
Re: Petition of Tampa Electric Company for Approval of Shared Solar Tariff
FPSC Docket No. 20180204-EI

Dear Mr. Teitzman:

Attached for filing in the above docket is Tampa Electric Company's Response to Vote Solar's Motion for Leave to File Amicus Curiae Memorandum.

Thank you for your assistance in connection with this matter.

Sincerely,


James D. Beasley

JDB/pp
Attachment

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition of Tampa Electric Company)
For Approval of Shared Solar Tariff)
_____)

DOCKET NO. 20180204-EI

FILED: March 18, 2019

**TAMPA ELECTRIC COMPANY RESPONSE
TO VOTE SOLAR'S MOTION FOR LEAVE TO FILE
AMICUS CURIAE MEMORANDUM**

Tampa Electric Company ("Tampa Electric" or "the company"), pursuant to Rules 28-105.0027(1) and 28-105.003, F.A.C., hereby responds to Vote Solar's Motion for Leave to File Amicus Curiae Memorandum ("Memorandum") filed on March 15, 2019, with the Florida Public Service Commission ("Commission") in the above reference docket regarding Petition of Tampa Electric for Approval of Shared Solar Tariff ("Petition").

Upon hearing of Vote Solar's belated Motion for Leave to File Amicus Curiae Memorandum, Tampa Electric indicated its opposition to the motion. After having received and reviewed the motion, Tampa Electric withdraws its opposition, given the lack of merit of the motion and Tampa Electric's desire not to require the Commission and its Staff to expend energy addressing the motion. Instead, Tampa Electric submits this response detailing the deficiencies in Vote Solar's motion and attached Memorandum.

1. Vote Solar comes very late to this docket, which was initiated on November 2, 2018, has been subject to extensive discovery and review by the Commission Staff and Office of Public Counsel, has had two informal meetings with parties to explain the filing as well as address identified issues and is within a couple of weeks of Commission review at the April Agenda conference. Vote Solar alleges in its Memorandum that it has extensive experience in technical matters on energy policy, public engagement and coalition building as well as

partnership and participation in the development of community solar and best practices associated with the development of community solar utility programs. Yet, over the past five months, the filing of this memorandum at this late date is the first and only contact between Vote Solar and Tampa Electric with respect to its Shared Solar filing.

2. Tampa Electric provides these comments in response to the Vote Solar Memorandum and its criticism of Tampa Electric's proposed Shared Solar tariff, showing where Vote Solar has failed to recognize important elements of the Tampa Electric filing or misinterpreted several elements of the proposed tariff.

3. Vote Solar's comments fall into three categories as described in their Memorandum: (1) Vote Solar first alleges that Tampa Electric's proposed tariff does not appear to drive new solar power development. (2) Secondly, Vote Solar says Tampa Electric's proposed tariff does not share the economic benefits of solar power with customers taking service under the tariff. (3) Finally, Vote Solar says the company's proposed tariff is unlikely to unlock access to community solar for all customers. None of these assertions is accurate, as has been clearly demonstrated in the company's filing, discovery and subsequent discussions with FPSC Staff and Public Counsel.

New Solar Development

4. The first assertion is that Tampa Electric's Shared Solar Tariff fails to provide new solar power development. Vote Solar alleges that the 17.5 MW capacity is not new but is being cost recovered through Tampa Electric's SoBRA settlement and that Tampa Electric is not providing Renewable Energy Credits (RECs) to customers who participate in the program. This is inaccurate.

5. First, the 17.5 MW Shared Solar capacity is new; it is located in the new Lake Hancock photovoltaic generating station which is expected to come online in April 2019. While this 17.5 MW capacity is located at the same site that is providing some of the solar capacity for Tampa Electric's SoBRA program, this 17.5 MW portion is distinct, separately provides power to Tampa Electric through dedicated inverters at the site, and, absent its dedication to the Shared Solar program, would not be incremental to Tampa Electric's solar resources.

6. This assertion has resulted in some confusion and debate as to whether the 17.5 MW would exist absent the Shared Solar tariff. While Tampa Electric has been constructing the 17.5 MW during the period that the Shared Solar tariff has been docketed and being considered by the Commission, it is entirely incremental to the capacity contemplated in the SoBRA settlement.

7. The incremental 17.5 MW of the Lake Hancock site is not needed to meet the SoBRA capacity limitation in tranche 2 of SoBRA. The first tranche was 150 MW for which Tampa Electric built 145 MW and was placed into service in the fall of 2018. The second tranche was 250 MW, for which Tampa Electric is putting 260 MW into service in 2019 (5MW carried over from the 150 MW, 250 MW for the second tranche, and an additional 5 MW permitted under the SoBRA settlement agreement). The 17.5 MW are in excess of those components.

8. Tampa Electric is authorized to, and is constructing, an additional 145 MW to be placed into service in 2020 and an additional 50 MW is authorized in 2021. The 17.5 MW is in excess of all those components as well. In the end, in 2021, 600 MW of SoBRA are being constructed and the 17.5 MW in excess means Tampa Electric will have constructed 617.5 MW. If during the time period from 2019 to 2021 there is sufficient customer demand for more Shared

Solar, Tampa Electric will seek to construct even more solar capacity to serve that incremental need. Should the Commission decide to not authorize the Shared Solar Tariff for any reason, then Tampa Electric will likely include the 17.5 MW of Shared Solar capacity in the third tranche of SoBRA, build to achieve a total of 600 MW, ending up with 17.5 fewer MW of solar capacity than if the Shared Solar tariff had been approved.

9. Vote Solar alleges that the cost of the 17.5 MW capacity is already included in Tampa Electric's SoBRA program. Tampa Electric has made very clear to all parties in the docket, and in discovery, as well in the SoBRA filings associated with the 2019 rate change, that the 17.5 MW portion of Lake Hancock, and its cost, was not included in the SoBRA program. Vote Solar is just wrong in this assertion.

The Shared Solar Tariff Will Share Economic Benefits With Customers Taking Service Under It

10. Vote Solar also asserts that Tampa Electric is not offering to provide RECs to customers taking Shared Solar service. Contrary to this assertion, Tampa Electric included in its tariff a clear offer for any customer taking service that the company would provide the RECs to the customer if they requested them. Special Provision #5 on proposed Tariff Sheet No. 3.305 clearly states: "Customers may request to have RECs deposited into a designated account at their own expense." There is no REC market in Florida, however there are REC markets across the United States that under certain conditions will accept RECs that are generated by solar energy in Florida. All Tampa Electric is saying is that if the customer desires to have the RECs associated with their purchase under the Shared Solar tariff deposited in their name to such a market, that they pay whatever expense Tampa Electric may encounter to do so (e.g., a fee to open such an account).

11. Vote Solar further alleges that Tampa Electric's proposed Tariff does not provide opportunities for customers taking service to share in the economic benefits of the incremental solar. Those opportunities are being offered. The program is designed to recover its costs while benefitting from the zero-fuel solar generation, while cross-subsidies are avoided.

12. As Vote Solar says, customers electing to take solar service, either through their own private PV facilities or through participation in utility programs like the one Tampa Electric is proposing, have multiple reasons to participate. While planning for cost savings over a sustained period of participation in the program, many subscribers are willing to bear slightly higher energy costs in the near-term to gain and promote other important environmental benefits, including reduced emissions associated with their energy use and achieving sustainability targets. Tampa Electric's program appeals to customers and provides benefits as the company has shown through survey results and marketing analysis, including program design assistance provided by the very same Shelton Group that Vote Solar points to in its Memorandum.

13. The proposed rate design, which includes an incremental charge to recover the development cost of the solar facilities dedicated to this Shared Solar program, coupled with fuel-cost avoidance for the energy provided by the solar project, and the ability for customers to take service without requiring a long-term commitment (or debt), strikes a fair balance between meeting the surveyed desires of an important cross-section of our customers and avoiding cross-subsidies. Although program participants will continue to pay their standard base and non-fuel clause rates along with their Shared Solar charges, they will continue to be full customers of Tampa Electric and benefit from all the programs and highly reliable service provided to non-participating customers, as well as power supplied from the grid and from non-solar generators when their dedicated solar facility is not operating (e.g., during hours of darkness or reduced

output during overcast and storm days). In this way, subsidy is avoided from non-participating customers.

14. Vote Solar questions the \$0.063 charge proposed for Tampa Electric's Shared Solar tariff. Cost support for this charge has been provided in this docket and responses were provided to all questions. This charge includes the Lake Hancock 17.5 MW cost as well as program and programming costs to interact with potentially thousands and perhaps someday tens of thousands of customers who seek to join, leave or transfer service under the program. Tampa Electric desires and expects success in marketing and securing customers for this tariff and with demand for the program increasing will seek to construct new incremental solar facilities, which Tampa Electric hopes and expects will be lower cost than Lake Hancock. When that happens, in future base rate proceedings Tampa Electric may be able to reduce the rate to the benefit of all participating customers.

The Proposed Tariff Offers Opportunities to Lower and Middle Income Customers

15. Vote Solar's third assertion is that Tampa Electric's Shared Solar tariff does not provide the opportunity to low- and middle-income customers to participate in utilizing solar energy. Contrary to this assertion, many of the elements included in the proposed tariff are included explicitly to facilitate participation of low- and middle-income customers, particularly the lack of a long-term commitment and the opportunity to purchase solar energy from Tampa Electric without having to make large investments in private solar arrays on the roof of their premises. In discussions with other utilities that have instituted such solar programs with set asides for certain groups of customers (e.g., residential customer set asides), the experience has been that it resulted in open slots of unsold solar which hindered the utilities' ability to justify

adding more solar. More solar development, over time, is likely to result in less-expensive solar development which will benefit all customers including those with lower incomes.

WHEREFORE, Tampa Electric submits the foregoing in response to Vote Solar's Motion for Leave to File Amicus Curiae Memorandum and respectfully requests the Commission to reject Vote Solar's recommendation to reject Tampa Electric's proposed new Shared Solar Rider tariff requested in this docket.

DATED this 18th day of March 2019.

Respectfully submitted,



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