

State of Florida




Public Service Commission

CAPITAL CIRCLE OFFICE CENTER • 2540 SHUMARD OAK BOULEVARD
TALLAHASSEE, FLORIDA 32399-0850

-M-E-M-O-R-A-N-D-U-M-

DATE: November 25, 2019

TO: Adam J. Teitzman, Commission Clerk, Office of Commission Clerk

FROM: Suzanne S. Brownless, Special Counsel, Office of the General Counsel 

RE: Docket No. 20190001-EI - Fuel and purchased power cost recovery clause with generating performance incentive factor.

Please place the attached article from the South Florida Sun-Sentinel in the above docket file as correspondence.

SBr/lms
Attachment

Lisa Smith

From: Suzanne Brownless
Sent: Monday, November 25, 2019 9:31 AM
To: Lisa Smith
Subject: FW: FPL machinations
Attachments: FPL spends millions to sway lawmakers and regulators - South Florida Sun-Sentinel.pdf

Lisa: Please put this on the correspondence side of the 01 Docket.
Thanks.

Suzanne Brownless
Senior Attorney
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, Florida 32399-0850
Phone: (850) 413-6218
FAX: (850) 413-6219
Email: sbrownle@psc.state.fl.us

From: Beatrice Balboa [<mailto:beatricebalboa@gmail.com>]
Sent: Friday, November 22, 2019 2:57 PM
To: Suzanne Brownless
Subject: Fwd: FPL machinations

Friday 22 November 2019

I was reading the latest news media regarding the ongoing lobbying issues and concerns surrounding Florida Power & Light (FPL) (attached documentation). Please continue to keep an extremely close eye regarding FPL machinations with these issues as FPL ratepayers should NOT be "footing the bill" on FPL and/or NextEra out-of-state investment strategies, solar power "monopolization", "tax accounting sleight of hands", safety violations, little to no storm hardening and "pollution" activities. FPL should be devoting all their energies in meeting and/or exceeding the 2017 National Electrical Safety Code® (NESC®) standards (which sets the ground rules and guidelines for practical safeguarding of utility workers and the public during the installation, operation, and maintenance of electric supply, communication lines and associated equipment) for storm hardening of the State of Florida electrical infrastructure that should have already been completed after Hurricane Andrew (1992), Hurricane Irma (2017) and now Hurricane Dorian (2019) with fee requests in the millions/billions of dollars. FPL should NOT be devoting all their energies requesting and lobbying for more storm hardening fees and rate increases as well as other "accounting shenanigans" activities.

I look forward to your offices taking the necessary actions to address hardworking taxpayers citizens' concerns from the City of Pompano Beach, Broward County, State of Florida.

Thank you for your time in this matter.

Sincerely,
Beatrice Balboa
1010 South Ocean Boulevard, Unit. 1008
Pompano Beach, Fl 33062-6631

SECTIONS

\$1 FOR 3 MONTHS
SALE ENDS 11/24

LOG IN

Man eating takeout in his backyard was shot dead by deputies. Now his family...



One killed, two seriously hurt in crash on Davie Boulevard overpass to I-95



Voters beware: Your idea who's petition the

ADVERTISEMENT

BUSINESS

FPL spends millions to sway lawmakers. The result can affect your electric bill.



By MARCIA HEROUX POUNDS
SOUTH FLORIDA SUN SENTINEL | NOV 22, 2019





Lobbyists work in the rotunda between the Florida House and Senate chambers. (Steve Cannon / AP)

Florida Power & Light Co. is on track to spend as much as \$1 million this year to lobby lawmakers, regulators and state leaders, a situation that critics say could make customers the losers.

Lobbying and campaign donations help FPL limit competition and hang onto its monopoly powering 5 million homes and businesses, which can lead to higher electric bills, environmentalists and watchdog groups contend.

Advertisement





ADVERTISEMENT

In nine months this year, FPL has spent \$545,000 on lobbying legislators, according to state filings required by Nov. 14. The utility also has spent between \$80,017 and \$330,000 through September on lobbying the executive branch, which includes the governor, cabinet members and state regulators.

State law requires lobbyists to report only a range of executive lobbying expenses, so it's impossible to know how much FPL spends overall. But at the high end, records show FPL could spend more than \$1 million in six of 10 years.

In a recent meeting with the South Florida Sun Sentinel's Editorial Board, FPL president and CEO Eric Silagy defended the utility's extensive lobbying efforts as well as its massive campaign contributions: "I think it's legitimate to lobby on issues," he said. "We play by all of the rules. We report everything."

Silagy said lobbying costs are not part of customers' bills — FPL's shareholders pay for it. "Not one dime of it — no travel associated with flying up to Tallahassee," he said. "And it should be," Silagy said, arguing that lobbying often benefits customers.

In terms of the legislature, lobbying in the first nine months of 2019 falls just short of the \$645,000 that FPL spent in all of 2018. That included \$230,000 from October to December.

Executive branch lobbying last year ranged from \$170,000 to \$480,000.

Five years ago, FPL spent \$415,000 on legislative lobbying and up to \$409,000 on executive lobbying, state records show.

FPL has more than 30 registered lobbyists, including the most powerful and **well-paid lobbying firms** in Florida, such as Ballard Partners, Capital City Consulting, **Ron Book of Plantation**, and Rubin Turnbell & Associates. Lobbyists also include high-powered Miami law firm Greenberg Traurig and former legislators including state Sen. Christopher Smith of Fort Lauderdale.

inRead invented by Teads

ADVERTISING

RELATED: Your FPL bill will dip in January. Enjoy it while you can. »

FPL also spent more than other utilities in the state: TECO Energy has paid \$380,000 to legislative lobbyists through September and Duke Energy \$145,000.

Lobbying the lawmakers and regulators is one way companies seek to sway votes. And in FPL's case, it often works, observers say.

"Utilities use lobbyists to control the Public Service Commission and eventually gain favorable recognition out of the Legislature," said Ben Wilcox, research director at government watchdog Integrity Florida. He said the state's utilities, including FPL, typically "hire an army of lobbyists" to watch their backs in legislative and regulatory proceedings.

Frank Jackalone, Florida chapter director of the Sierra Club, summed it up this way: "Florida Power & Light is probably the most powerful of Florida's utilities in terms of their influence in the state — by size, money and their skill. They have this tremendous ability to spread money around."

Some of FPL's clout comes with its enormous size. The Juno Beach-based electric utility provides power in South Florida and to half the state. And its customer base has been expanding. In 2018, FPL's parent company, NextEra Energy, acquired Gulf Power, which provides power to the northwestern part of the state. Now NextEra is one of the potential buyers of the Jacksonville Electric Authority.

With big money comes the ability to hire lobbyists who are well-connected to the Legislature, the governor and the Florida Public Service Commission, which regulates electric utilities.

Lawmakers are important to FPL because they choose the nominating council for new PSC members. The governor's choices then must be confirmed by the Senate.

"The state Senate is not going to approve anybody who is critical of the utilities. They would be biting the hand that feeds them," said Florida chapter head Jackalone, referring to campaign donations. "They're going to reject anybody the governor appoints if FPL is unhappy."

Except for one notable decision on conservation goals, Florida Public Service Commission's decisions have mostly gone FPL's way in 2019:

- **Tax windfall**: Commissioners decided in favor of FPL in May, allowing the utility to keep \$772 million in annual tax savings, instead of returning it to consumers. The decision went against the PSC's own staff recommendation.
- **Hurricane costs**: Commissioners agreed with FPL's accounting that it spent \$1.3 billion to recover from Hurricane Irma, and did not seek a further review of the costs.
- **Storm protection recovery**: Commissioners paved the way for FPL and other utilities to provide less detail than the law specifies on costs to bury power lines underground, a 30-year project that FPL's CEO has said would cost as much as \$35 billion. The Office of Public Counsel, the state's consumer watchdog, is challenging the proposed rules, saying they don't protect consumers from being overcharged for the underground projects.

FPL and other utilities didn't get their way this fall when they wanted to **reduce energy conservation** goals starting next year. Commissioners voted to retain the previous goals, rather than reduce them, which could have eliminated many consumer educational and rebate programs.

'Tentacles are everywhere'

The Southern Alliance for Clean Energy, a Tennessee-based group that advocates for renewable energy, points to FPL's attempt to install transmission lines near Turkey Point nuclear power plant as one example of how FPL exerts "oversized influence" in Tallahassee.

Sen. Jose Rodriguez, D-Miami, who has spoken against FPL in regulatory hearings and sought legislation to allow more rooftop solar, said FPL's practice is to make donations to organizations that matter to a lawmaker. "The approach is indirect, but their tentacles are everywhere," Rodriguez said.

Jackalone of the Sierra Club said FPL's donations to environmental groups are one example. The utility has offered funding to the Sierra Club, which often opposes FPL on environmental issues, but the group has rejected it.

[RELATED: FPL seeks state approval to slash energy-efficiency goals »](#)

Other environmental and business groups do accept FPL's funding.

In 2018, FPL gave more than \$926,000 in the 2018 election cycle to the Florida Chamber of Commerce's political action committees. When asked about the donations, the Florida Chamber didn't directly address its funding. But spokeswoman Edie Ousley said the chamber's support of FPL and other "innovative" employers that create jobs and invest in infrastructure "is good for all Floridians."

The chamber is a frequent ally with FPL on issues before regulators and lawmakers. In 2018, the chamber urged passage of a bill that would allow power companies to install transmission lines without consulting local zoning boards.

In the recent meeting with the Sun Sentinel's Editorial Board, CEO Silagy used the transmission lines as an example of FPL not always getting its way. The plan was "shot down," he observed.

But that's not the whole story because FPL later went to the Legislature to change the rules.

ADVERTISEMENT

Then-Gov. Rick Scott and his Cabinet had approved the transmission lines, which would have run through densely populated Miami-Dade County and across wetlands. A Florida appeals court ruled in 2017 that the decision failed to consider local development rules.

FPL's lawyers tried to get the Florida Supreme Court to hear the case, but the court declined. So FPL turned to the Legislature to change the law. And it succeeded. In March 2018, then-Gov. Scott signed a bill that now enables power companies to decide where to install transmission lines for its grid.

Campaign donations

While Florida law prohibits utilities from contributing directly to candidates, FPL and other utilities give to political action committees that support specific candidates or certain political parties.

FPL made a total of \$8 million in campaign contributions during the 2018 election cycle.

Debbie Larsson, spokeswoman for NextEra Energy, FPL's parent company, said it's important for the power company to be involved in the political process "since every aspect of our business is affected by policy decisions at every level of government."

EDITORIAL: Florida's shady solar amendment »

Campaign donations particularly swelled in the 2014 and 2016 election cycles, when FPL joined with other utilities in the state to support constitutional Amendment 1, purported to advocate solar use. During those election cycles, FPL alone made \$22.9 million in political donations, according to a report by Integrity Florida.

This time, throwing money at the issue didn't work. The controversial amendment's language was **shown to be misleading** in that it would have actually limited solar rooftop expansion, and it failed in the 2016 election.

"FPL's model is to monopolize power. They do not like competition from homeowners and businesses producing power on their rooftops," said Jackalone of the Sierra Club, one of the groups that worked to defeat the amendment.

In the following election cycle, 2017-2018, FPL's contributions to political action committees totaled \$7.9 million.

Critics say sizable campaign donations can play a part in swaying state policies on the environment, as well as driving up electric bills.

The 2019 approval of a new **natural gas plant in Dania Beach** is one example.

FPL applied in 2017 to replace its aging natural gas plant in Dania Beach with a more efficient one. The Sierra Club objected, arguing in regulatory filings that more fossil fuel-powered plants could worsen sea-level rise.

Susannah Randolph, senior campaign representative for the Sierra Club, said the vote ultimately came down to Gov. Scott and his cabinet, which made up the "siting" board that decides whether plants can be built.

“The governor, chief financial officer and agriculture commissioner at that time had received hundreds of thousands of dollars from FPL” through their political action committees, she said. “We knew the deck was stacked against us.”

The group got the decision delayed until after the election, but the plant ultimately was approved in March 2018.

The Dania Beach plant, with a price tag of \$288 million, is expected to be operational in 2022, and FPL will be able to charge customers for the cost of the plant through its base rates.

FPL’s policy concerns today include a proposed constitutional amendment that would allow consumers to choose their electric service. While the amendment still has to obtain more than 200,000 additional signatures for a chance on the 2020 ballot, FPL already is building its war chest for the next major election.

As of mid-November, the electric utility had already contributed \$1.5 million to political action committees and political parties for the 2020 election, according to Florida’s campaign finance database records.

Lobbying costs in Florida, Jan.-Sept 2019

1. U.S. Sugar Corp.: \$680,000
2. AT&T: \$610,000
3. FPL: \$545,000
4. K.A.S. & Associates: \$525,000
5. FCCI Insurance Group: \$505,000
6. Title Clerk Consulting Group: \$474,000
7. HCA Healthcare, \$423,000

8. AshBritt Environmental: \$420,000

LATEST BUSINESS

Freebie Friday: Free Thanksgiving turkeys, free gift cards from Target, Amazon, and free toys for kids at Kohl's

FPL spends millions to sway lawmakers. The result can affect your electric bill.

Cup cover designed in South Florida meant to prevent drink-spiking — and it's wearable!

9. Automated Healthcare Solutions, \$405,000

10. Dosal Tobacco Corp.: \$390,000

10. Florida Medical Association, \$390,000

Source: *Florida Lobbyist Registration and Compensation Reporting, Nov. 20, 2019*

Marcia Heroux Pounds

South Florida Sun Sentinel



Marcia Heroux Pounds is a business writer for the Sun Sentinel. She writes about the job market, entrepreneurs, technology and the workplace. She's the author of *I Found a Job!*, a book about how some people found jobs during the worst years of the recession.

Wells Fargo \$400 Welcome Bonus Offer. Learn More

Wells Fargo - Member FDIC | Sponsored

Dog Owners Swear By This Incredible Joint Chew

Petlab Co | Sponsored