

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: December 19, 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 CBS Miami News in the above docket file as correspondence.

SBr/lms
Attachment

Lisa Smith

From: Suzanne Brownless
Sent: Tuesday, December 17, 2019 1:39 PM
To: Lisa Smith
Subject: FW: FPL machinations
Attachments: PURPA under attack by utilities and their front groups - Energy and Policy Institute.pdf;
Power giant FPL may be unfairly taking business away from small company owners.pdf

Please prepare memo and put this in the Fuel Docket.

Thanks,

S

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: Tuesday, December 17, 2019 12:57 PM
To: Suzanne Brownless
Subject: Fwd: FPL machinations

Tuesday 17 December 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

NEWS

Power giant FPL may be unfairly taking business away from small company owners

Small business owners say FPL is unfairly cutting in on contracting business

Jeff Weinsier, Investigative Reporter

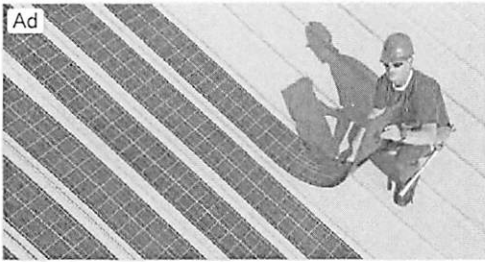
Published: December 16, 2019, 11:28 pm

Updated: December 17, 2019, 10:11 am


Tags: [Local](#), [News](#), [Miami-Dade County](#), [Local 10 Investigates](#), [Broward County](#)



PEMBROKE PARK, Fla. – Some are saying Florida Power and Light has crossed the line, and the public really doesn't know who they are doing business with.



Florida Home Solar
Thinking About Going Sc

 Home Solar Programs

A group of small business owners have now banded together, claiming they can't compete with what the power giant, which is a monopoly, is doing.

Some even say the situation could put them out of business.

FPL is regulated by the Public Service Commission.

In 2018, the PSC concluded FPL and FPL Home Services operate independently and that FPL Home Services would not have a competitive advantage over an independent contractor.

[Florida PSC letter on FPL](#) by **[David Dwork](#)** on Scribd



 Home Solar Programs

Gregg D'Attile, who has been in the business for 36 years and currently has 75 employees, is beyond concerned.

"It's not fair, it's just not right," he said. "How terrible would that be if we had to go out of business because we had to compete with something we can't compete with?"

D'Attile is the CEO of Art Plumbing and Air in Sunrise.

"FPL has decided to get in the same business that I am in," he said.

He's talking about flyers that have shown up in mailboxes across South Florida offering \$50 off air conditioning or plumbing repair, \$500 off a new air conditioning unit, and more.

The mailers seem to be from FPL, the regulated monopoly that provides us power, but at closer look they say FPL Home Services.

"They should not be using FPL at all," D'Attile said.

Nextera Energy, which owns FPL, has gotten into the private home services business, using the name FPL Home Services.

The company claims the home services they offer are totally separate entities from the power company.

"It says FPL Home Services," said D'Attile. "So they built a little house around the FPL logo, that doesn't make it different. Remove FPL Home Services. Call it XYZ Home Services."

Air conditioning, plumbing and electrical contractors have now banded together to take on the power giant.

They call themselves the **MEP Coalition**.

MEP stands for mechanical, electrical and plumbing.

Skip Farinhas is the owner of GMC Air in Pompano Beach and part of the coalition.

"We don't have problems with competition," said Farinhas. "The problem with this is it is unfair competition. It's not fair and not right."

"That logo, that's what people gravitate to. 'Oh, it has to be fantastic, it's by FPL.'"

FPL delivers electricity to approximately 5,000,000 customer accounts, nearly half of Florida, and is the third largest electric utility company in the United States.

The MEP Coalition alleges FPL Home Services has access to the power company's massive database for the mailers being sent out.



Maple Ridge by CC Homes

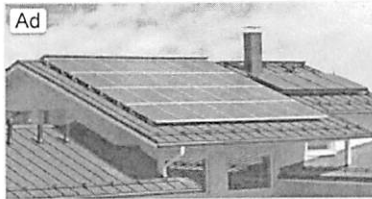
FPL Home Services share and use the regulated power company facilities, so there is less overhead.

"They are robo-calling our employees to try to hire our employees away from us," Farinhas said. "As a monopoly, the type of benefits they can offer are not able to be matched by a contractor."

Local 10 News reached out to FPL, more than once, for someone to answer very specific questions and clear up any misinformation that may be out there. They refused an on camera interview.

Instead, FPL spokesperson Debbie Larsson sent the following statement:

"FPL Home provides Florida consumers with smart, affordable and reliable home services, such as surge protection, smart home security, backup generators, air conditioning filter delivery service and appliance warranties. The company is a subsidiary of NextEra Energy, as is Florida Power & Light, and both entities have separate operations, revenues and expenses. From time to time, FPL Home utilizes resources from other NextEra Energy family companies and compensates those entities for the use of such resources. In the case of a regulated entity like Florida Power & Light, expenditures are monitored and reviewed by the Florida Public Service Commission to ensure ratepayer-funded resources are not supporting non-regulated subsidiaries. To suggest otherwise is simply wrong."



Home Solar Programs

State Senator José Javier Rodríguez represents District 37 in Miami-Dade County.

"Using their logo is a very obvious issue," Rodríguez said of FPL. "I absolutely agree that it is unfair competition."

Rodríguez says he and others are working on legislation to combat this issue.

"They have quite a bit of power," Rodríguez said. "One of the important impacts they have is being able to keep things off the agenda, so they aren't even debated. That is one of the biggest challenges we have."


Legislation takes time though, and business owners that Local 10 News spoke to say they don't know how long they can take this jolt from the power giant.

"If this continues, I think the future of many of us is bleak," said Farinhas.



Edison Electric Institute

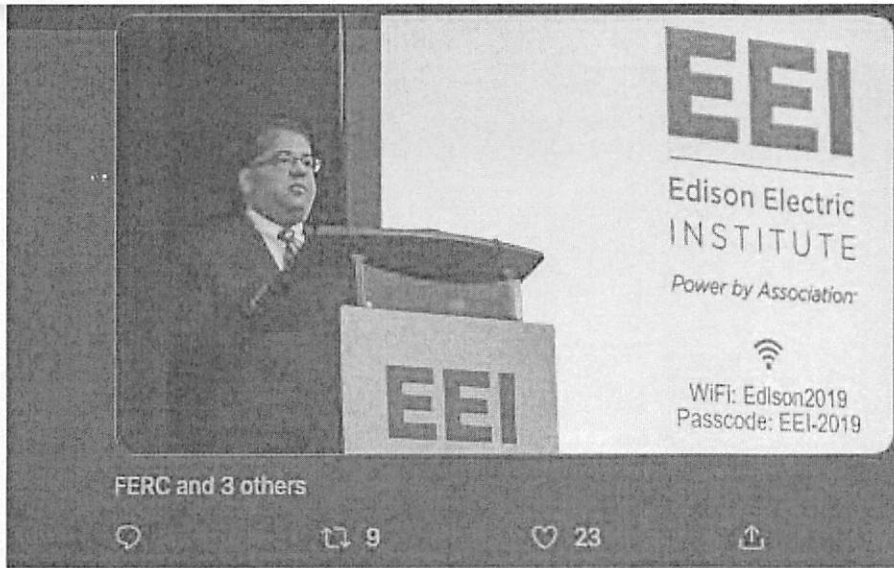
PURPA under attack by utilities and their front groups

 Dave Anderson • December 16, 2019

Electric utilities are backing a proposal to gut the Public Utilities Regulatory Policies Act (PURPA), a federal law that supports the growth of renewable energy and competition in electricity markets, and they brought their network of special interest groups and paid consultants to the fight.

A Notice of Proposed Rulemaking (NOPR) backed by President Trump's Republican appointees to the Federal Energy Regulatory Commission would gut PURPA's support for renewables. Attorneys general for eight states warned that the move could jeopardize states' ability to meet their clean energy and climate goals.

The move was immediately praised by the Edison Electric Institute (EEI), which has targeted PURPA for over 40 years, in a joint statement with the American Public Power Association and National Rural Electric Cooperatives Association. EEI also submitted comments to FERC in support of the NOPR, comments that were echoed by EEI member utilities like Southern Company, which said that it "actively participated in the development of the EEI comments" in its own filing on the issue.



Neil Chatterjee, the Republican chair of FERC, tweeted this photo after speaking with EEI's Board of Directors earlier this year. At the time FERC had a docket open where it gathered comments on PURPA referenced in the current NOPR.

Other utilities also endorsed EEI's comments, including:

- [Alliant Energy](#)
- [Arizona Public Service Company](#)
- [Duke Energy](#)
- [FirstEnergy](#)
- [NextEra Energy](#)
- [Pacific Gas and Electric Company](#)
- [San Diego Gas & Electric Company](#)
- [Southern California Edison Company](#)
- [Xcel](#)

A subsidiary of one major utility, Consolidated Edison Development, weighed in that it "strenuously" opposes the NOPR. Con Edison Development develops renewable energy projects, often selling the electricity at rates governed by PURPA.

"CED strenuously objects to the Commission's proposed rule changes, not the least of which

said in its comments to FERC.

“There is little evidence that the current regulations produce a bad result, and there is every reason to think that the current regulations have produced new technology, created competition with incumbent monopoly utilities, and have provided renewable energy to customers at a rate that holds them indifferent,” it also said.

Beyond that defection, utilities largely lined up behind EEI’s campaign to gut PURPA, consistent with the utility industry’s long history of lobbying against policies that promote clean energy and challenge their monopolies.

Below is an overview of some of the consultants and front groups utilities that are part of the utility industry’s campaign against PURPA.

We Stand for Energy

A petition with only 300 signatures was submitted to FERC by We Stand for Energy, a national astroturf group correctly identified in FERC’s PURPA NOPR docket as a “Project of the Edison Electric Institute.”

EEI paid for We Stand for Energy’s Facebook ads to promote the petition and a related video. We Stand for Energy NC also paid for a Twitter ad attacking PURPA. EEI member Duke Energy has also attacked PURPA in Florida and North Carolina.

We Stand for Energy argues that PURPA needs to be “modernized” by FERC because “... wind and solar energy have grown to be important parts of our energy mix, and parts of PURPA no longer make sense.”

While wind and solar have grown since PURPA was first enacted in 1978, combined they still produce only around 7% of the electricity generated in the U.S. EEI’s internal documents have shown that utilities feel threatened by the strong support for shifting to 100% renewable energy among their customers.

We Stand for Energy supports major gas projects like the Atlantic Coast Pipeline that will lock in utilities’ dependence on fossil fuels that contribute to climate change for years to come.

EI attached a study claiming that utility customers have overpaid for renewable energy contracts under PURPA in its comments to FERC on the NOPR. The study by Concentric Energy Advisors, whose client list is dominated by utilities, was commissioned by EI and released with some fanfare last month.

John Weaver of PV Magazine wrote that the EI-backed study suffers from a “major sampling error” that likely accounts for the “overpayment” for solar contracts that Concentric Energy Advisors attributes to PURPA.

Institute for Energy Research

Travis Fisher, a FERC staffer who worked for the Institute for Energy Research before he joined the Trump administration, participated in a session on “PURPA Reform” at an EI External Affairs Conference last year.

IER contributed another anti-PURPA study to the NOPR docket. IER has received funding from EI, as well as from coal producers like Cloud Peak Energy and Peabody Energy, and Koch foundations.

IER attached to its NOPR comments a study on “The Urgency of PURPA Reform to Assure Ratepayer Protection” by David Dismukes of the Center for Energy Studies at Louisiana State University.

“The author wishes to thank the Institute for Energy Research for financial assistance in conducting this research,” the study said.

The Center for Energy Studies has an Advisory Council that includes representatives of major utilities like AEP, oil and gas companies like ExxonMobil, and Koch Industries.

Dismukes, who previously authored a misleading report attacking net metering rooftop solar in Louisiana, also runs a consulting firm called Acadian Consulting whose clients include electric and gas utilities.

IER recently teamed up with the coal industry on another misleading report attacking wind and solar power.

Another comment in support of the NOPR came from David Holt, president of the Consumer Energy Alliance (CEA) and managing partner for the lobbying firm HBW Resources that runs CEA.

“On behalf of our 550,000 individual members and nearly 300 member organizations, Consumer Energy Alliance (CEA) writes to express appreciation and support for the Commission’s determination to modernize its Public Utility Regulatory Policies Act (PURPA) regulations in a way that benefits the American energy consumer and family budgets,” Holt wrote.

Those member organizations include many fossil fuel and utility interests, including EEI.

Americans for Tax Reform

Americans for Tax Reform, which has received \$183,500 from EEI since 2013, referenced the EEI-backed study written by Concentric Energy Advisors in its comments to FERC on the NOPR.

Americans for Tax Reform claims that “PURPA creates unnecessary and burdensome costs on ratepayers and energy consumers.” Yet it receives funding from EEI, which many utility customers are forced to fund through hidden charges on their electricity bill.

Based on this funding model, EEI’s president Thomas Kuhn raked in nearly \$5.5 million in total compensation in 2018. EEI’s revenue totaled \$90 million that year.

Some states are stepping up their oversight of utilities’ recovery of EEI dues from customers. Earlier this year, the California Public Utility Commission barred Southern California Edison from recovering any of its EEI dues from customers.

The U.S. Chamber of Commerce

The U.S. Chamber, which has received \$233,050 from EEI since 2012, also submitted comments supportive of the NOPR.

As with EEI, utilities like NextEra-subsidary Florida Power & Light have sought to recover their U.S. Chamber dues from customers.

A former member of the Michigan Public Service Commission

Another commenter supportive of the NOPR was Steven A. Transeth, a former member of the Michigan Public Service Commission (2007-2009). Transeth's comments cited Concentric Energy Advisors' study for EEI.

Transeth also attacked PURPA earlier this year. The Detroit News published his op-ed in April, which was when the PSC was set to rule on Consumer Energy's request to waive certain requirements under PURPA. The PSC denied the utility's request, and then months later approved a settlement between solar developers and Consumers Energy that will place 584 MW of renewable energy projects under contract by September 1, 2023.

Transeth now has own consulting firm, Transeth & Associates, and he's also the executive director of the Michigan Energy & Jobs Coalition, which counts DTE and Consumers Energy among its key members. In 2012, Transeth worked with the DTE- and Consumers-backed Coalition for Affordable Renewable Energy to defeat a Michigan ballot initiative requiring the utilities to get 25 percent of their power by 2025. In 2011, he represented the Coalition for Fair Transmission Policy, which also included DTE and Consumers Energy as members, in criticizing FERC Order 1000.

The PURPA NOPR "...track with what both DTE and Consumers would want to see happen," Transeth recently told the Energy News Network.

Transeth also recently authored an opinion piece in UtilityDive defending DTE's long-term resource plan from criticism.

... and Koch-backed groups

A number of special interest groups that have received funding from foundations linked to Koch Industries also weighed in with comments in support of the NOPR, including Americans for Limited Government, Center for Freedom & Prosperity, Center for Growth and Opportunity,

EI is closely connected to the Koch network through its funding of groups like Americans for Prosperity, the American Legislative Exchange Council, and the State Policy Network, where EI has campaigned against net metering for rooftop solar.

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Posted in: Edison Electric Institute Tagged in: ferc purpa, purpa nopr

Posted by Dave Anderson

Dave Anderson is the policy and communications manager for the Energy and Policy Institute. Dave has been working at the nexus of clean energy and public policy since 2008. Prior to joining the Energy and Policy Institute, he was an outreach coordinator for the climate and energy program at the Union of Concerned Scientists. He is also an alumnus of the Sierra Club and the Alliance for Climate Protection (now the Climate Reality Project). Dave's research has helped to spur public scrutiny of political attacks on clean energy and climate science by powerful special interests, such as ExxonMobil and the American Legislative Exchange Council (ALEC). His work has been cited by major media outlets, such as CBS News and the Wall Street Journal, and he has served as a speaker on panels at national solar industry conferences. Dave holds a MA in Political Science from the University of New Hampshire, where he also received a BA in Humanities.

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