RESOLUTION NO. 020-22-15773

A Resolution of the Mayor and City Commissioners of the City of South Miami strongly opposing Senate Bill 1024 and companion bill House Bill 741 in the Florida Legislature which seek to destroy net energy metering and the expansion of rooftop solar energy.

WHEREAS, Net Energy Metering ("NEM") allows electricity customers to generate power themselves with rooftop solar and offset it against the electricity they buy from their utility and allowing customers to save money on utility bills and receive bill credits for excess solar power generated that is shared with the power grid to serve nearby customers; and

WHEREAS, NEM is designed to foster the installation of customer-sited renewable energy generation; and

WHEREAS, NEM is what has allowed solar to become increasingly accessible to low and moderate-income households in Florida and empowers Floridians to have choices in how they receive and pay for electricity; and

WHEREAS, Florida is one of 47 states in the United States that allow homeowners and business owners to produce power and sell it back to the energy grid and providers; and

WHEREAS, because of the existing net metering law, Florida's rooftop solar industry supports sustained economic development throughout the State by generating over $18 billion to the state economy, supporting over 40,500 direct and indirect jobs in Florida alone[1]; and

WHEREAS, Florida's solar industry has the second largest solar workforce in the United States provides over 11,000 direct jobs, as reported by the 11th Annual National Solar Jobs Census[2] [3]; and

WHEREAS, Senate Bill ("SB") 1024[4], and its related bill, House Bill ("HB') 741[5], have been filed for consideration during the 2021 Florida State Legislative Session; and

WHEREAS, these proposals, as introduced, would slash the credits that customers receive for sharing their excess electricity with the power grid, thereby making customer-sited renewable energy more expensive, increasing the amount of time it takes for customers to pay

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[1] The Washington Economics Group, Inc., on behalf of Conservatives for Clean Energy Florida, "The Comprehensive Economic Development Impacts of the Rooftop Solar Power Industry on the State of Florida," November 2, 2021, https://www.cleanenergyconservatives.com/wp-content/uploads/2021/11/CCE-Rooftop-Solar-Report-November-2021-1.pdf

[2] https://irecusa.org/resources/national-solar-jobs-census-2020/

[3] https://www.seia.org/state-solar-policy/florida-solar

[4] https://www.flsenate.gov/Session/Bill/2022/1024

[5] https://www.flsenate.gov/Session/Bill/2022/741

off their solar systems, and significantly diminishing the installation of distributed solar in Florida; and

WHEREAS, in Nevada where similar changes were made in net metering rules, the solar industry declined by 80%, forcing the state to reverse course and restore the previous rule; and

WHEREAS, many in the solar industry, homeowners, and providers, oppose legislation that restricts the expansion of rooftop solar in Florida and organizations in opposition include but are not limited to the League of Women Voters Florida, Florida Conservation Voters, the Southern Alliance for Clean Energy, Solar United Neighbors, Catalyst Miami, the CLEO Institute, and Vote Solar; and

WHEREAS, Environmental and Climate Justice Chair of the Florida NAACP Florida State Conference, Lewis Jennings, wrote "Power companies' attack on home-based solar energy demonstrates their continued insistence that their customers rely on outdated, dangerous sources of energy that put Florida closer to the devastating consequences of climate change. That poses an even greater threat to minorities and disadvantaged communities, as they will experience the first and worst damage from the warming climate. For the sake of these vulnerable communities, Florida must ensure that important clean energy policies are preserved and advanced. The Legislature should stop this unfair, unwanted attack on net metering and the Florida communities who benefit from it."[6]; and

WHEREAS, on February 3rd, 2009, the City of South Miami passed Resolution No. 23-09-12832 which committed the City to eliminate net emissions of carbon dioxide and other greenhouse gasses by 2030; and

WHEREAS, on May 7th, 2019, the City of South Miami passed Resolution No. 59-19-15331 which committed the City to promote the Sierra Club's "Ready for the 100" campaign to transition the entire City to 100% clean and renewable energy within the City of South Miami by the year 2040; and

WHEREAS, in addition to the two resolutions described, the City of South Miami has passed many more resolutions over the years to show its commitment to reducing emissions and to promote environmentally sustainable practices and switch to renewable energy (of which solar is one); and

WHEREAS, the City of South Miami cannot meet its clean energy goals with utility scale solar alone; and

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[6] Jennings, Lewis. "An attack on solar net metering threatens Florida's disadvantaged communities | Opinion." *Sun Sentinel*, 26 December 2021, https://www.sun-sentinel.com/opinion/commentary/fl-op-com-invading-sea-net-metering-solar-low-income-20211226-xp6fcy2nmbghlpczlykw5i2rsa-story.html

WHEREAS, expanding access to rooftop solar in the City of South Miami will support resiliency, provide environmental and public health benefits by reducing air emissions, lessen the impacts of the climate crisis, avoid the need to build costly power generation, add value directly to the local economy by supporting local job creation, and contribute to the achievement of reliability and clean energy goals; and

WHEREAS, according to FPL's own cost of service study, which shows how much it costs to serve each class of customers and how much rates would increase if all classes paid their fair share, there is over a billion-dollar subsidy to the largest commercial and industrial customers over the next 4 years that is being paid by residential customers and small businesses.[7]; and

WHEREAS, some of FPL's largest commercial and industrial customers **each** gain a subsidy of over a million dollars per year, paid for by residential customers [Fn7]; and

WHEREAS, another subsidy for which FPL lobbied and received approval is FPL's, "Solar Together" program, in which FPL charges all its rate payers to build a solar power plant, but then makes payments in the form of bill credits to program "participants," with the largest credits going to large commercial and industrial customers. These bill credits are paid primarily by residential customers. The subsidy in this utility-scale solar program is now up to over $2 billion in net payment from non-participants to participants where non-participants are primarily residential customers and small businesses, and participants are primarily the largest commercial and industrial customers.[Fn7]; and

WHEREAS, FPL is giving a credit to rooftop solar customers for excess electricity that they provide to the electrical grid (the Grid): however, the credit is only at wholesale rates (1.5458 cents per kwh). FPL is reselling that power to all the other residential customers at the retail rate of 10.44-cents per kilowatt hour; and

WHEREAS, on the average, those rooftop solar customers who were not over producing electricity, who are most of FPL's 23,799 rooftop solar customers, were actually paying the retail rate for a substantial amount of electricity used by them in 2020. See FPL's PSC Report 30-Mar-2021, Interconnection and Net Metering of Customer-Owned Generation Calendar Year 2020.[8]

WHEREAS, the 6,000 or so rooftop solar customers who sold their extra electricity back to FPL[fn8] accounted for a gross profit to FPL that averaged $15.78 for all 23,799 rooftop solar customers. Thus, the majority of rooftop solar customers contributed to the Grid by purchasing a substantial amount of electricity at the retail rate and the few that sold their extra electricity

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[7] Bradley Marshall, attorney with Earthjustice. We represented Florida Rising, the League of United Latin American Citizens of Florida, and the Environmental Confederation of Southwest Florida in the most recent FPL rate case and who states that these numbers are from FPL's own projections.

[8]http://www.psc.state.fl.us/Files/PDF/Utilities/Electricgas/CustomerRenewable/2020/IOU%20PDF/Florida%20Power%20and%20Light-%20Interconnection%20and%20Net%20Metering%20Report.pdf

to FPL, at wholesale rates, contributed $15.78 per rooftop solar customer (the gross profit FPL gained) for their use of the Grid; and

WHEREAS, FPL's cost-shift analysis is also flawed because it does not consider the help that rooftop solar provides FPL to meet summer peak demand, as well as its reduction of demand overall, and that rooftop solar requires less use of the grid since the electricity is generated close to the customers who are using it; and

WHEREAS, FPL has just received approval to institute a minimum bill of $25 (Minimum Bill) for all its residential customers and this, in itself, ensure that all customers, including rooftop solar customers, are paying to maintain the grid, regardless of whether they use any energy; and

WHEREAS, the Minimum Bill is a significant contribution to the cost of FPL's infrastructure maintenance, with FPL expecting to bring in an additional $32 million from this minimum bill from residential customers and which should completely offset the overstated claim that rooftop solar is being subsidized; and

WHEREAS, we are in a climate change crisis and need to make the transition to clean energy more accessible and affordable for everyday Floridians with every tool possible which includes rooftop solar.

NOW THEREFORE, BE IT RESOLVED BY THE MAYOR AND CITY COMMISSIONERS OF THE CITY OF SOUTH MIAMI, FLORIDA:

Section 1. The foregoing recitals are hereby ratified and confirmed as being true and correct and are hereby made a specific part of this resolution upon adoption hereof.

Section 2. The Mayor and City Commission of the City of South Miami urges the Florida Legislature to oppose Senate Bill 1024, House Bill 741, or similar legislation that would destroy net energy metering and the expansion of rooftop solar energy in Florida.

Section 3. The Mayor and City Commission of the City of South Miami supports expanding clean energy access by making it easier, not harder, for Floridians to adopt rooftop solar in all communities and households, particularly those struggling to pay for electricity.

Section 4. The City Clerk shall forward a copy of this Resolution to:

Governor Ronald Dion DeSantis,
State Senate President;
State Speaker of the House;
Senator Jennifer Bradley;
Representative Lawrence McClure;
Representative Alex Andrade;

Florida Public Service Commission;
Florida Cabinet;
Florida League of Cities;
all municipalities in Miami-Dade County; and
members of the governing bodies of all 67 counties.

Section 5. The Mayor and City Commission of the City of South Miami directs the City's state lobbyists to advocate against the legislation above and authorizes amending the 2022 State Legislative Package to include this item.

Section 6. Corrections. Conforming language or technical scrivener-type corrections may be made by the City Attorney for any conforming amendments to be incorporated into the final resolution for signature.

Section 7. Severability. If any section clause, sentence, or phrase of this resolution is for any reason held invalid or unconstitutional by a court of competent jurisdiction, the holding will not affect the validity of the remaining portions of this resolution.

Section 8. Effective Date. This resolution will become effective immediately upon adoption.

PASSED AND ADOPTED this 15th day of February, 2022.

ATTEST:

CITY CLERK

APPROVED:

MAYOR

READ AND APPROVED AS TO FORM, LANGUAGE, LEGALITY, AND EXECUTION THEREOF

CITY ATTORNEY

COMMISSION VOTE:	4-1
Mayor Philips:	Yea
Commissioner Harris:	Yea
Commissioner Gil:	Yea
Commissioner Liebman:	Nay
Commissioner Corey:	Yea

City Commission Agenda Item Report

Meeting Date: February 15, 2022
Submitted by: Thomas Pepe
Submitting Department: City Attorney
Item Type: Resolution
Agenda Section:

Subject:
A Resolution of the Mayor and City Commissioners of the City of South Miami strongly opposing Senate Bill 1024 and companion bill House Bill 741 in the Florida Legislature which seek to destroy net energy metering and the expansion of rooftop solar energy. 3/5 (Mayor Philips)

Suggested Action:

Attachments:
Memorandum from CA to CC (w Footnotes).docx

Reso_re_SB_1024__Solar_Net_Metering_CArev_v2_4_.doc

CITY OF SOUTH MIAMI
OFFICE OF THE CITY ATTORNEY
INTER-OFFICE MEMORANDUM

To: The Honorable Mayor, Vice Mayor and Members of the City Commission

Cc: Nkenga A. Payne, City Clerk

From: Thomas F. Pepe, City Attorney

Date: February 9, 2022 ITEM No. 1594

SUBJECT:

A Resolution of the Mayor and City Commissioners of the City of South Miami strongly opposing Senate Bill 1024 and companion bill House Bill 741 in the Florida Legislature which seek to destroy net energy metering and the expansion of rooftop solar energy.

REQUEST:

To Oppose Senate Bill 1024 and companion bill House Bill 741 in the Florida Legislature

BACKGROUND:

Net Energy Metering ("NEM") allows electricity customers to generate power themselves with rooftop solar and offset it against the electricity they buy from their utility and allowing customers to save money on utility bills and receive bill credits for excess solar power generated that is shared with the power grid to serve nearby customers; and

NEM is designed to foster the installation of customer-sited renewable energy generation; and

NEM is what has allowed solar to become increasingly accessible to low and moderate-income households in Florida and empowers Floridians to have choices in how they receive and pay for electricity; and

Florida is one of 47 states in the United States that allow homeowners and business owners to produce power and sell it back to the energy grid and providers; and

Florida's rooftop solar industry supports sustained economic development throughout the State by generating over $18 billion to the state economy, supporting over 40,500 direct and indirect jobs in Florida alone[1]; and

Florida's solar industry has the second largest solar workforce in the United States provides over 11,000 direct jobs, as reported by the 11th Annual National Solar Jobs Census[2] [3]; and

Senate Bill ("SB") 1024[4], and its related bill, House Bill ("HB') 741[5], have been filed for consideration during the 2021 Florida State Legislative Session; and

SB 1024 and HB 741, as introduced, would slash the credits that customers receive for sharing their excess electricity with the power grid, thereby making customer-sited renewable energy more expensive, increasing the amount of time it takes for customers to pay off their solar systems, and significantly diminishing the installation of distributed solar in Florida; and

In Nevada where similar changes were made in net metering rules, the solar industry declined by 80%, forcing the state to reverse course and restore the previous rule; and

Many in the solar industry, homeowners, and providers oppose legislation that restricts the expansion of rooftop solar in Florida and organizations in opposition include but are not limited to the League of Women Voters Florida, Florida Conservation Voters, the Southern Alliance for Clean Energy, Solar United Neighbors, Catalyst Miami, the CLEO Institute, and Vote Solar; and

Environmental and Climate Justice Chair of the Florida NAACP Florida State Conference, Lewis Jennings, wrote "Power companies' attack on home-based solar energy demonstrates their continued insistence that their customers rely on outdated, dangerous sources of energy that put Florida closer to the devastating consequences of climate change. That poses an even greater threat to minorities and disadvantaged communities, as they will experience the first and worst damage from the warming climate. For the sake of these vulnerable communities, Florida must ensure that important clean energy policies are preserved and advanced. The Legislature should stop this unfair, unwanted attack on net metering and the Florida communities who benefit from it."[6]; and

On February 3rd, 2009, the City of South Miami passed Resolution No. 23-09-12832 which committed the City to eliminate net emissions of carbon dioxide and other greenhouse gasses by 2030; and

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[1] The Washington Economics Group, Inc., on behalf of Conservatives for Clean Energy Florida, "The Comprehensive Economic Development Impacts of the Rooftop Solar Power Industry on the State of Florida," November 2, 2021, https://www.cleanenergyconservatives.com/wp-content/uploads/2021/11/CCE-Rooftop-Solar-Report-November-2021-1.pdf

[2] https://irecusa.org/resources/national-solar-jobs-census-2020/

[3] https://www.seia.org/state-solar-policy/florida-solar

[4] https://www.flsenate.gov/Session/Bill/2022/1024

[5] https://www.flsenate.gov/Session/Bill/2022/741

[6] Jennings, Lewis. "An attack on solar net metering threatens Florida's disadvantaged communities | Opinion." *Sun Sentinel*, December 26, 2021, https://www.sun-sentinel.com/opinion/commentary/fl-op-com-invading-sea-net-metering-solar-low-income-20211226-xp6fcy2nmbghlpczlykw5i2rsa-story.html

On May 7th, 2019, the City of South Miami passed Resolution No. 59-19-15331 which committed the City to promote the Sierra Club's "Ready for the 100" campaign to transition the entire City to 100% clean and renewable energy within the City of South Miami by the year 2040; and

The City of South Miami has passed many more resolutions over the years to show its commitment to reducing emissions and to promote environmentally sustainable practices and switch to renewable energy (of which solar is one); and

The City of South Miami cannot meet its clean energy goals with utility scale solar alone; and

The expansion of access to rooftop solar in the City of South Miami will support resiliency, provide environmental and public health benefits by reducing air emissions, lessen the impacts of the climate crisis, avoid the need to build costly power generation, add value directly to the local economy by supporting local job creation, and contribute to the achievement of reliability and clean energy goals; and

According to FPL's own cost of service study, which shows how much it costs to serve each class of customers and how much rates would increase if all classes paid their fair share, there is over a billion-dollar subsidy to the largest commercial and industrial customers over the next 4 years that is being paid by residential customers and small businesses[7]; and

Some of FPL's largest commercial and industrial customers each gain a subsidy of over a million dollars per year, paid for by residential customers[8]; and

Another subsidy for which FPL lobbied and received approval is FPL's, "Solar Together" program, in which FPL charges all its rate payers to build a solar power plant, but then makes payments in the form of bill credits to program "participants," with the largest credits going to large commercial and industrial customers. These bill credits are paid primarily by residential customers. The subsidy in this utility-scale solar program is now up to over $2 billion in net payment from non-participants to participants where non-participants are primarily residential customers and small businesses, and participants are primarily the largest commercial and industrial customers.[9]; and

FPL is giving a credit to rooftop solar customers for excess electricity that they provide to the electrical grid (the Grid): however, the credit is only at wholesale rates (1.5458 cents per kwh). FPL is reselling that power to all the other residential customers at the retail rate of 10.44-cents per kilowatt hour; and

On the average, those rooftop solar customers who were not over producing electricity, who are most of FPL's 23,799 rooftop solar customers, were actually paying the retail rate for a

[7] Bradley Marshall, attorney with Earthjustice. We represented Florida Rising, the League of United Latin American Citizens of Florida, and the Environmental Confederation of Southwest Florida in the most recent FPL rate case and who states that these numbers are from FPL's own projections.
[8] *Ibid*.
[9] *Ibid*.

substantial amount of electricity used by them in 2020. See FPL's PSC Report 30-Mar-2021, Interconnection and Net Metering of Customer-Owned Generation Calendar Year 2020.[10]; and

Of the 6,000 or so rooftop solar customers who sold their extra electricity back to FPL[11] accounted for a gross profit to FPL that averaged $15.78 for all 23,799 rooftop solar customers. Thus, the majority of rooftop solar customers contributed to the Grid by purchasing a substantial amount of electricity at the retail rate and the few that sold their extra electricity to FPL, at wholesale rates, contributed $15.78 per rooftop solar customer (the gross profit FPL gained) for their use of the Grid: and

FPL's cost-shift analysis, which claims that rooftop solar customers are not paying their share of the cost to maintain the Grid, is also flawed because it does not consider the help that rooftop solar provides FPL to meet summer peak demand, as well as its reduction of demand overall, and that rooftop solar requires less use of the grid since the electricity is generated close to the customers who are using it; and

FPL has just received approval to institute a minimum bill of $25 (Minimum Bill) for all its residential customers and this, in itself, ensure that all customers, including rooftop solar customers, are paying to maintain the grid, regardless of whether they use any energy; and

The Minimum Bill is a significant contribution to the cost of FPL's infrastructure maintenance, with FPL expecting to bring in an additional $32 million from this minimum bill from residential customers and which should completely offset the overstated claim that rooftop solar is being subsidized.

ANALYSIS:

FPL public comments about the alleged subsidy to rooftop solar customers are inconsistent with the facts published in its own report to the Florida Public Service Commission (PSC) concerning rooftop solar. In one response to the news media, FPL spokesman, Chris McGrath, claimed that rooftop solar could cost Florida utilities about $700m between 2019 and 2025"[12]. These numbers average 100 m per year during that time period. Then, in a rebuttal to an article in the Tampa Bay Times from January 2022, FPL claimed that rooftop solar "... accounts for a $30 million annual subsidy today, [and] it's expected to nearly triple to more than $80 million by 2025."[13]

Which numbers are correct? Maybe neither. Even if the City Commission were to believe that the later and more recent allegations are true, at a cost of $30 million, and with 5.6 million customers, the cost would only be a $5.36 subsidy paid by each of the 5.6 million customers.

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[10] http://www.psc.state.fl.us/Files/PDF/Utilities/Electricgas/CustomerRenewable/2020/IOU%20PDF/Florida%20Power%20and%20Light-%20Interconnection%20and%20Net%20Metering%20Report.pdf

[11] *Ibid*.

[12] "Revealed: the Florida power company pushing legislation to slow rooftop solar", theguardian.com, December 20, 2021.

[13] https://www.tampabay.com/opinion/2022/01/24/fpl-responds-to-times-editorial-on-solar-net-metering-column/

When looking at FPL's own report to the PSC, the truth is that rooftop solar customers are contributing electricity to FPL's grid in excess of the amount that rooftop solar customers use and rooftop solar customers are only being paid 1.5458 cents per kwh, according to one customer[14]. While FPL is giving a credit to rooftop solar customers for excess electricity that they provide to the electrical grid (the Grid), the credit is only at wholesale rates (1.5458 cents per kwh). FPL is reselling that power to all the other residential customers at the retail rate of 10.44-cents per kilowatt hour[15]. In FPL's 2020 report[16], FPL stated that it had paid $65,305.00 to customers who contributed solar electricity to the grid in 2020. If FPL had paid rooftop solar customers at the retail rate per kilowatt hour, the amount would have been $441,055.89. (FPL paid $65,305.00 at wholesale rate of $0.015458 per kwh, which equals 4,224,673 kwh of extra electricity put into the grid per year. 4,224,673 kwh times $0.1044 (retail rate) equals $441,055.89). Therefore, rooftop solar customers, on the average, are each contributing $15.78 ($441,055.89 minus amount paid of $65,305.00 equals $375,750.89 divided by 23,799 rooftop solar customers (See FPL's 2020 report) equals $15.78) to the cost of the Grid by subsidizing the cost of electricity. Moreover, most of the 23,799 rooftop solar customers in 2020, according to FPL's 2020 report, consumed 10 times the amount of solar electricity that they produced in 2020 (108,281,159 kwh delivered to FPL by FPL's 23,799 rooftop solar customers and 1,040,834,034 kwh was consumed by those same customers). Thus, on the average, those rooftop solar customers who were not over producing electricity, most of FPL's 23,799 rooftop solar customers who FPL falsely claims to being subsidized, were actually paying the retail rate for a substantial amount of electricity used by them in 2020. See FPL's PSC Report 30-Mar-2021, Interconnection and Net Metering of Customer-Owned Generation Calendar Year 2020[17].

RECOMMENDATION:

Adopt a resolution opposing Senate Bill 1024 and companion bill House Bill 741 in the Florida Legislature.

[14] https://community.sense.com/t/fpl-buy-back-rate/13184/2
[15] Hurtibise, Ron, "FPL says its bills are 'well below' the national average. Here's what we found.", *Sun Sentinel*, November 16, 2021.
[16] http://www.psc.state.fl.us/Files/PDF/Utilities/Electricgas/CustomerRenewable/2020/IOU%20PDF/Florida%20Power%20and%20Light-%20Interconnection%20and%20Net%20Metering%20Report.pdf
[17] *Ibid*.