

Florida Public Service Commission

July 11, 2008 Renewable Portfolio Standard Workshop

Progress Energy Florida Post-Workshop Comments

1. PEF is a leader in developing renewable energy and supports the goal of encouraging the development of renewable energy in Florida. The company's Balanced Solution strategy includes investments in state-of-the-art power plants (both nuclear and high efficiency fossil), Energy Efficiency, and Renewable Energy.
2. We believe that any RPS should be objective, achievable and affordable. The key issues in implementing an RPS are identifying how much can realistically be achieved and at what cost. It is also critical to identify what types of generation technologies will count toward the goal.
3. The Florida Legislature has given some guidance to address these issues, but some issues require further development. To establish a sound policy, clear objectives are necessary.
4. How much can be done? What is achievable?
 - a. Conduct a realistic and objective inventory of renewable potential in Florida through 2020.
 - b. Existing technology vs. developing technology should be part of the evaluation of renewable potential and cost evaluation. Developing technology assessments require particular scrutiny and should be based on realistic, objective information.
 - c. Include the contribution of municipal utilities and cooperatives in the total
 - i. Municipal and Coop utilities will be competing for the same resource potential. IOU RPS should consider how much the non-IOU utilities will require.
 - d. Speed of implementation must be accounted for and factored into any ultimate rule. PEF's experience has shown that renewable development involves newer technologies that are not "off the shelf" and require significant time to implement.

5. What will it cost? What impact will it have on our customers' bills?
 - a. Conduct a realistic and objective evaluation of costs for renewable resources in Florida through 2020.
 - b. Safety valves are needed to protect consumers if the cost of rule compliance becomes too high. We agree with the AARP's comments on finding solutions that are the most cost effective.
 - c. Keep the value of the investments in Florida. We agree with many of the participants that support a Florida based renewable energy industry and REC market.

6. What will count toward the goal?
 - a. Look at the available resources in Florida. We agree with a Florida based RPS using in-state resources.
 - b. PEF agrees with the AARP that rule compliance should be met in the most cost effective manner possible, regardless of the type of technology. If the FPSC desires to favor wind and solar over other technologies, however, PEF feels that incentives will be more effective than specific targets or set asides. Set asides will drive up costs and reward providers who are not driven to lower costs. We do not agree with SACE and others that carve outs will be cost effective.
 - c. The contribution of nuclear generation or other zero-carbon technologies should be considered in calculating the energy requirements that are subject to the RPS. One way to accomplish this would be to calculate the RPS percentage using the utilities retail energy less the zero carbon generation used to serve that load.

Our goal is to meet the intent of the Legislature to promote the development of renewable energy through this RPS rule making that is achievable and affordable. PEF appreciates the opportunity to participate in the process.