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July 22, 2008

Ms. Judy Harlow
Division of Economic Regulation
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

**Re: Implementation of RPS for Florida Pursuant to the
Provisions of HB 7135- Post-Workshop comments**

Dear Ms Harlow:

Pursuant to the rulemaking schedule established in this matter, White Springs Agricultural Chemicals Inc. d/b/a PCS Phosphate –White Springs (“White Springs”)¹ offers the following Post Workshop comments with respect to the development of a Florida Renewable Portfolio Standard rule.

The RPS requirement is a component of comprehensive energy legislation that aims in large part to promote expanded electric production from zero or low carbon emitting generating resources in Florida in a manner that supports economic growth and reliable electric system operation while lowering statewide greenhouse gas emissions. Rather than mandating specific RPS requirements in the statute, the Legislature correctly outlined the above objectives and left renewable energy production targets, management of RPS program costs, and other basic program design matters for the Commission to resolve in this rulemaking. In promoting renewable energy development, the Commission must consider a variety of factors, including consumer rate impacts, effects on electric system operation and reliability, and contributions to meeting or mitigating (in

¹ White Springs operates energy intensive mining and chemical manufacturing facilities in Florida that also produce a substantial amount of electric energy with no incremental air emissions by capturing and using heat created by its sulfuric acid manufacturing operations. See “An Assessment of Renewable Electric Generating Technologies for Florida,” prepared by the Florida Public Service Commission and the Department of Environmental Protection, January 2003, pp. 34-35, for a description of “Phosphate Plants and Exothermic Reactions” as a renewable energy resource.

the case of net metering) growth in peak electric demand. To accomplish that mission, all elements of the RPS rule should reflect the following basic elements:

1. **Promote the maximum cost-effective utilization and development of Florida's zero and low carbon electric generation resources.** The rule should provide a strong preference for in-state renewable energy generation and require qualifying resources to deliver energy to the Florida grid.
2. **Promote renewable energy production that provides other grid benefits.** In previously filed comments, Florida Crystals stated:

Technologies that demonstrate a greater potential to provide reliable base load capacity generation should be favorably viewed by the commission and incentivized in the rulemaking process. We believe the Commission should consider the ratepayer benefits that come from technologies that provide this premium benefit and incorporate it in the rule accordingly.

White Springs supports that observation, and would add that the rule should place greater emphasis on factors that support Florida's electric network, e.g. on-peak availability, than upon select renewable technologies for the sake of promoting that technology. The former approach promotes renewable energy development that will enhance system reliability and other state energy objectives (e.g., managing peak load growth), while the latter inevitably leads to tier structures that focus more on competition for RPS funding than serving the state's energy needs.

3. **Support existing renewable energy technologies.** The rule should be a "technology agnostic" in pursuit of the most cost-effective low carbon emitting generation resources. It must not overlook the important contribution made by existing renewable energy resources today toward mitigating Florida's excessive dependence on oil and natural gas, lowering GHG emissions, and improving the diversity of electric generation supply, or the potential for expanded production by those resources.
4. **Contracting Flexibility is Essential.** The renewable energy sources defined in section 366. 92 (2) (d) F.S. encompass a broad range of investment, operation, fuel and related matters that entail considerably diverse financial requirements. In some cases, renewable suppliers may prefer contracts of shorter rather than longer terms, or parties may have an interest in exploring alternative terms for a limited period. The rule should encourage such innovation and avoid all unnecessary restrictions and barriers to maximizing renewable energy production. It should afford utilities and renewable energy suppliers considerable flexibility to fashion prices, billing options and methods, terms, and conditions that will foster Florida's economic and emissions reductions objectives.

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5. **The Commission should regularly revisit renewable energy targets.** Changing circumstances, technological developments, experienced gained in attempting to achieve established renewable energy production levels, overall RPS program costs, other factors affecting utility rates, and a host of other considerations likely will have a bearing on RPS targets. Since such targets are guide to achieving the basic objectives noted above, the Commission should periodically re-visit RPS targets to keep the program on track.

Thank you for the opportunity to submit these comments.

/s/ James W. Brew

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