

**BEFORE THE  
FLORIDA PUBLIC SERVICE COMMISSION**

<b>In re: Establishment of Rule on</b>	)	<b>Docket No. 080503-EI</b>
<b>Renewable Portfolio Standard</b>	)	<b>Filed: December 8, 2008</b>
	)	

**COMMENTS ON PROPOSED RULEMAKING BY FLORIDA INDUSTRIAL  
POWER USERS GROUP (FIPUG)**

1. FIPUG strongly opposes mandatory 75% allocation of renewable resource capacity and money to solar and wind power until the technology makes the cost of these resources comparable to other approaches.
2. FIPUG supports the concept of the Skop environmental mercantilism plan that calls for operating within the existing framework and requesting bids to identify the least cost viable renewable energy resource. It prefers a plan that doesn't give special bonuses to perceived political favorites
3. FIPUG recommends that the Commission give heed to Tom Ballinger's explanation of the Commission's Integrated Resource Plan (IRP) that gives consideration to DSM along with utility supply side and renewable generation and resources. FIPUG respectfully suggests that before implementing Ballenger's slide 13 that will remove cost considerations from renewable generation that the Commission first exhaust the search for economic renewable resource generation and DSM programs that may well be less expensive than current generation.
4. FIPUG recommends that rate structures be redesigned so that energy efficiency by some customers does not result in increased rates for others. This is done by recovering capital and fixed costs through fixed charges, reevaluating the RIM test for conservation programs and recognizing that placing the full risk of fuel costs upon consumers removes all economic incentive from utilities to reduce fuel costs.
5. FIPUG recommends that the Commission recognize that current customers are presently paying for nuclear plants from which they receive no current benefit. These plants will provide capacity in excess of projected future customer demand

which has fallen off since the last projections were made. A mandatory RPS surcharge on top of the charges for nuclear power plants that are not in use and useful service not only adds insult to economic injury it may be unconstitutional in that it deprives customers of their private property (i.e. earnings or savings) without due process of law and takes their property for public use without just compensation.

6. FIPUG recommends that the Commission give serious consideration to enhanced energy efficiency and distributed generation including compensation if it can be demonstrated that distributed generation results in avoided costs for fuel and/or capacity construction on the part of public utilities.

7. FIPUG recommends that Navigant be requested to revise its report to recognize alternatives other than a mandate for 75% solar and wind power. It is in the public interest to put all potential renewable resources on an equal footing. Navigant should be advised to recognize that its LCOE is not the same avoided cost that Florida utilities use when considering whether to enter into standard or negotiated purchase power contracts.

Respectfully submitted

/s/John W. McWhirter, Jr