#### **RPS Implementation Proposal:**

Standard Offer Contract Approach

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#### Disclaimer

The views and opinions presented herein are strictly those of the presenter and have not been reviewed, endorsed, or approved by the Florida Public Service Commission.

### **Key Attributes of Plan**

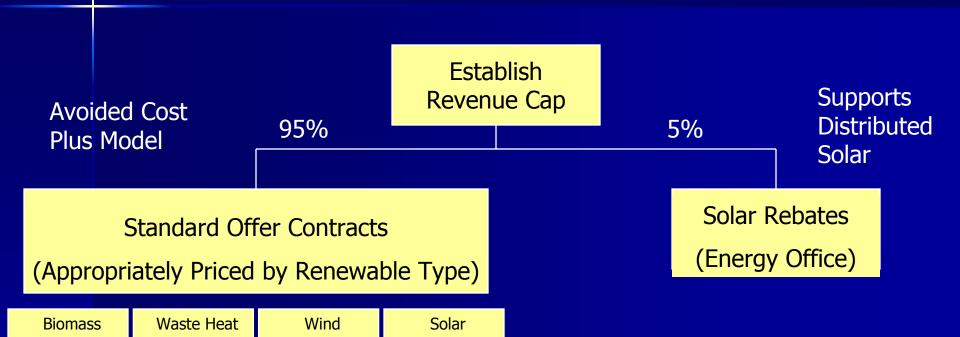
- Implementation Target (20% by 2020)
- Adopts Revenue Cap
- Avoided Cost Plus Model
- Solar Rebates (Residential and Commercial PV)
- Standard Offer Contracts (Utility Self Build Option)
- Utilization of Existing Framework
- Well Understood and Flexible
- Avoids Substantial Delay and Cost Associated Developing Captive Market for Attributes

#### **Implementation Plan**

- Implementation Target (20% by 2020)
- Establish Revenue Cap
- Fund Solar Rebates (5% of Revenue Cap)
- Establish Pricing for Standard Offer Contracts
- Energy and Attributes Retained by Utility
- Utility Can Sell Attributes Out-of-State to Offset Ratepayer Impact (attribute not used for compliance)
- Readily Implemented (2010)

## **Implementation Plan**

(graphical representation)



Out-of-State Sale of Attributes to Offset Ratepayer Impact

Waste Energy

#### **Standard Offer Contracts**

- Avoided Cost Plus Model
- Avoided Cost Pricing Indexed to Natural Gas (PG&E SRAC)
- Appropriately Priced by Renewable Type (Plus component)
- Sufficient to Attract Investment (Capital Cost + O&M+ ROE)
- Long Term, Stable Revenue Stream (Required for Financing)

# Standard Offer Contracts (continued)

- Utility Self Build Option
- Energy and Attributes Retained by Utility
- Utility Can Sell Attributes Out-of-State to Offset Ratepayer
   Impact (attribute not used for compliance)
- Utilization of Existing Framework
- Well Understood, Flexible, and Adaptable to New Technologies
- Avoids Substantial Delay and Cost Associated Developing Captive Market for Attributes
- Readily Implemented (2010)

## Questions