



*Protecting Southwest Florida's unique natural environment and quality of life ... now and forever.*

Lee Eng Tan, Senior Attorney  
Office of the General Counsel  
Public Service Commission  
2540 Shumard Oak Blvd.  
Tallahassee, FL 32399

## **RE: Promoting Solar Energy to Support Economic Growth**

Dear Florida Public Service Commission,

The Conservancy of Southwest Florida is writing on behalf of our over 6,000 supporting families to commend the Florida Public Service Commission (FPSC) for exploring the enhanced development of solar in Florida. Current state laws and regulations can make it challenging for Floridians to utilize solar technologies as constructing solar panels is often cost prohibitive for home and business owners. We encourage FPSC to support greater accessibility of solar technologies to Floridians by allowing power purchase agreements with solar providers to reduce the up-front costs associated with solar panel installation.

### **It is the state's intent to promote the use of renewable energy, yet Florida currently falls behind the rest of the nation in its use of solar energy.**

Pursuant to F.S. 366.91 (1), it is the Florida Legislature's intent to "promote the development of renewable energy resources." The state acknowledges that renewable energy, such as solar, has the potential to address the "growing dependency on natural gas...minimize the volatility of fuel costs, encourage investment within the state, improve environmental conditions, and make Florida a leader in new and innovative technologies." These benefits from renewable energy sources have been well documented; however, last year, Florida's total net electricity generation from renewable energy sources only accounted for 2.3% of statewide energy production<sup>1</sup> despite the fact that Florida ranks third in the nation for solar potential.<sup>2</sup> Furthermore, the state's annual electricity expenditures are 40% higher than the national average.<sup>3</sup>

### **The use of renewable energy can have statewide economic benefits.**

The use of solar energy can lower energy costs for the consumer, spur economic growth, provide a consistent energy source during extreme weather events, and conserve the environment.<sup>4</sup> Renewable energy is more labor intensive, which means on average, "more jobs are created for each unit of

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<sup>1</sup> U.S. Energy Information Association. *Florida State Profile and Energy Estimates*. Last updated May, 2015. Available at: <http://www.eia.gov/state/?sid=FL>.

<sup>2</sup> Solar Energy Industries Association. 2014. *Florida Solar*. Available at: <http://www.seia.org/state-solar-policy/florida>

<sup>3</sup> U.S. Energy Information Association. *Florida State Profile and Energy Estimates*. Last updated May, 2015. Available at: <http://www.eia.gov/state/?sid=FL>.

<sup>4</sup> Environmental Protection Agency. State and Local Climate Energy Plan. Renewable Energy. Available at: <http://www.epa.gov/statelocalclimate/state/topics/renewable.html>

electricity generated from renewable sources than from fuels.”<sup>5</sup> In addition, solar energy is less likely to be affected by large-scale failure due to its modular and distributional layout. In 2012, Hurricane Sandy left millions without power in the Northeast; however, renewable energy projects in the area (such as solar) sustained minimal damage or disruption.<sup>6</sup> Solar electricity generation requires no fossil fuel combustion. Based on life cycle comparison analysis with coal, estimates demonstrate photovoltaic generation uses 86 percent less water, exhibits a 92 percent reduction in acid rain and 97 percent reduction in marine eutrophication.<sup>7</sup>

### **Solar power purchase agreements will increase public access to solar power**

Access to solar is limited at this time as Florida is one of only five states that prohibit residents and businesses from buying solar generated electricity from anyone but a public utility.<sup>8</sup> Solar Power Purchase Agreements (SPPA) can be effective in promoting “demand-side renewable energy”, as defined in F.S. 366.82 (b). A SPPA is a financial arrangement between a third-party developer and the customer in which the developer owns, operates, and maintains the solar system. A host customer agrees to purchase the systems electrical output from the solar service provider.<sup>9</sup>

The Environmental Protection Agency (EPA) lists a number of benefits of SPPAs for the customer including:

- No up-front capital costs associated with the purchase and installation of the solar technology
- Predictable energy pricing as the solar electricity is often sold back to the customer at a fixed rate
- No system performance or operating risks because the technology is not owned and maintained by the customer but instead managed by the solar provider
- Potential reduction in carbon footprint due to reduced reliance on fossil fuels
- Support for local economy and job creation<sup>10</sup>

### **Recommendations**

We recommend revising state law and policy to allow for power purchase agreements which will give Floridians the option to purchase power from a provider other than an electric utility and increase access to low cost solar energy. These third party solar financing programs have been implemented in

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<sup>5</sup> Union of Concerned Scientists. *Benefits of Renewable Energy Use*. Available at: [http://www.ucsusa.org/clean\\_energy/our-energy-choices/renewable-energy/public-benefits-of-renewable.html#.VYm4Mk3JDcs](http://www.ucsusa.org/clean_energy/our-energy-choices/renewable-energy/public-benefits-of-renewable.html#.VYm4Mk3JDcs).

<sup>6</sup> Union of Concerned Scientists. *Benefits of Renewable Energy Use*. Available at: [http://www.ucsusa.org/clean\\_energy/our-energy-choices/renewable-energy/public-benefits-of-renewable.html#.VYm4Mk3JDcs](http://www.ucsusa.org/clean_energy/our-energy-choices/renewable-energy/public-benefits-of-renewable.html#.VYm4Mk3JDcs)

<sup>7</sup> Olson, C.L., Veltcamp, A.C., and Sinke, W.C. 2012. *The External Costs of Electricity Generation: A Comparison of Environmental Damages of Silicon Photovoltaic Electricity, Produced with Different Electricity Mixes, vs. Natural Gas and Coal*. Available at: <http://www.ecn.nl/docs/library/report/2012/m12054.pdf>.

<sup>8</sup> Patrick, W. 2015. *Florida solar amendment on the rise despite free-market concerns*. Available at: <http://watchdog.org/208313/florida-solar-amendment/>

<sup>9</sup> Environmental Protection Agency. *Solar*. Available at: <http://www.epa.gov/cleanenergy/energy-and-you/affect/non-hydro.html>.

<sup>10</sup> *Ibid.*

states including New York, New Jersey, California, Arizona, Colorado, Oregon, and New Mexico.<sup>11</sup> Although these states faced regulatory and legislative challenges, some solutions employed were:


- States did not define third-party owned systems as utilities and therefore exempt from Public Utility Commissions (PUC) regulations.
- Nevada and Oregon excluded solar and wind power from the definition of public utility.
- Oregon decided to exclude third-party owned systems in the definition of competitive supplier as they do not provide subsidiary services.<sup>12</sup>

While regulatory challenges imposed will be state specific, we believe Florida could use these models to overcome current barriers that prevent customers from utilizing power purchase agreements with solar providers.

We would respectfully request the PSC to take immediate action to support policy actions and measures to support removing barriers and incentivizing more options for consumers in Florida to use solar to meet their energy needs, which will only enhance economic growth and support a sustainable economy in Florida.

Thank you for your time and attention to this important matter. Please feel free to contact me at (239) 961-1900 should you wish to discuss further and we appreciate your consideration of our input.

Sincerely,



Jennifer Hecker  
Director of Natural Resource Policy

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<sup>11</sup> Kollins, K., Speer, B., and Cory, K. 2010. *Solar PV Project Financing: Regulatory and Legislative Challenges for Third Party PPA System Owners*. National Renewable Energy Laboratory. NREL/TP-6A2-46723

<sup>12</sup> Kollins, K., Speer, B., and Cory, K. 2010. *Solar PV Project Financing: Regulatory and Legislative Challenges for Third Party PPA System Owners*. National Renewable Energy Laboratory. NREL/TP-6A2-46723.