



Conservatives for Energy Freedom

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June 23, 2015

Ms. Theresa Lee Eng Tan, Esq.
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, FL 32399-0850

Dear Ms. Tan:

Conservatives for Energy Freedom would like to thank the Public Service Commission for this opportunity and to file comments regarding solar power's place in Florida's energy future. Our organization's focus is on opening up the energy market to freedom of choice and allowing the free market to be utilized when it comes to all sources of energy.

Our understanding and focus when it comes to solar in Florida is based on the belief that opening up competition in the demand side solar market, whether it be solar companies, or commercial property owners, is critical to unleashing innovation, jobs, economic development and enhancing our energy security by diversifying our energy mix.

Currently the power companies in Florida have a monopoly on selling energy with a captive rate base. Their model is one which was set up in a different day and age where the economic justification made sense. A century ago, large power companies could provide power more cost-effectively – and laws were established to protect monopoly utilities – including in Florida. These laws also provided for significant shareholder return for these companies – with Florida Power and Light (FPL) capturing about \$1.5 billion in profit annually from its captive customer base.

Over time however, technology has changed as property owners can generate their own power – through solar power systems. There are several significant economic benefits to solar power. Solar power has no fuel costs, so customers can lock-in long term fixed rates that insulate them from price shocks on their utility bills. Another tremendous benefit to Florida and its

people is that solar energy keeps energy dollars invested or spent here at home, in our own communities and in this great State. By putting solar in play, we create local construction jobs that are employing Americans rather than outsourced overseas.

As the cost of solar power continues its significant price declines, customers are demanding greater access to solar power. The Floridians for Solar Choice ballot initiative, that has gathered about 100,000 verified signatures, is but one example.

Florida needs to enter the 21st century where current technological innovation and progress has advanced. The consumer should have more options to generate more of their own power thus giving them more control over their energy future. We can do this starting with, 1) upholding Floridians right to interconnect to the distribution grid with renewable energy devices, such as solar power, without being punished with fees and charges by utility monopoly companies, and 2) allow free commerce to provide Florida's businesses and citizens financing options that will bring solar power, and the ability to self-generate power to all Floridians, regardless of income. In continuation of those principles, we recommend the following policies.

Remove the prohibition to 3rd party retail power purchase agreements

The state currently does not allow 21st Century common-sense financing options which can make energy investment more affordable, such as retail Purchase Power Agreements (PPA).¹ It is only one of four states that expressly prohibit by law this financing option. Recently, Georgia cleared the way for Georgians to buy solar energy and to choose the financing option that makes the most sense to its customers. Georgia is now ready to spring board in becoming competitive with other states that have practiced these type policies for years and have given American homes, businesses, schools, churches and the US military the freedom to reduce utility cost outlays through financing options that lower or remove the upfront cost of solar power installations.

¹ Currently, the state does not allow a power purchase agreement between a customer and a solar provider. A solar power purchase agreement (PPA) is a financial agreement where a developer arranges for the design, permitting, financing and installation of a solar energy system on a customer's property at little to no upfront cost.

This type of financing agreement is probably beyond the Public Service Commission's scope and authority; we nevertheless support legislative action to allow this type of financing vehicle. Further, we support the Floridians for Solar Choice ballot petition² to let the voters decide on allowing the free market and more consumer options to be available regarding solar to power Florida's homes and business.

Remove the Tangible Personal Property Tax on Consumers

This is a common-sense policy. Why not remove burdensome taxes that may be holding back customer choice? We support the removal of the tangible personal property tax on the value of residential and commercial solar systems.

No Punitive Taxes Forced Upon Consumers for the Use of Solar

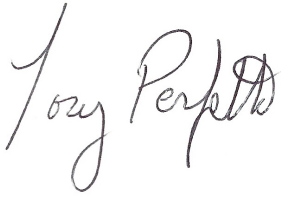
Customers should not be punished because a monopoly or government owned utility generates less revenue. It is important to note, that costs for demand-side solar systems is borne by the customer, or in the case of power purchase agreement, a solar provider. Big power companies allege, without any supportive evidence, that solar customers in Florida may be shifting costs to other customers and may try to charge solar customers for the right to use net metering.

The Public Service Commission should not be moved by power company *attempts to pit customers against each other*. It should protect customers against attempts by monopoly utilities to slap punitive charges and fees on to customers. Every family or business has the right to install renewable energy equipment on their home or business and interconnect to the distribution grid to reduce its grid electricity use without being discriminated against.

We live in transformative times, where the century-long paradigm of utility regulation is giving way to new cost competitive technologies, such as rooftop solar power. The state should embrace the innovation, jobs and economic development that this transformative future promises, not fight it.

² See Floridians for Solar Choice; www.flsolarchoice.org

Sincerely,

A handwritten signature in black ink that reads "Tory Perfetti". The signature is written in a cursive style with a large, stylized initial 'T'.

Tory Perfetti
Florida Director
Conservatives for Energy Freedom