

To: Lee Eng Tan, Senior Attorney, Florida Public Service Commission (PSC)

From: Douglas H. Nickelson

**Subject: Solar Power Comments**

Date: August 6, 2015

My name is Douglas H. Nickelson. I reside in Clermont, FL. 34711. I am a customer of Sumter Electric Cooperative (SECO).

Q. What policies or programs would be most effective at promoting supply-side solar energy systems (i.e., utility or third-party owned)?

A: In a phrase reconsider the concept of Renewable Generation Systems emphasis on Customer Owned Solar Systems, and I'm speaking specifically to the presence of and need for revisiting limitations on kW of the installed system and kWh returned to the Utility with respect to Section 377.803 Florida Statutes as reflected in Florida Public Service Commission (FPSC) Rule 25-6.065, and as may be found in the utilities of the State of Florida. In my case SECO, Tariff Sheet 16.4, Revised November 1, 2014.

Please understand that I am in no way at odds with my provider, to the contrary I believe I have a very good business relationship with SECO.

What I'd like to do at this moment is take you back to the Public Utilities Regulatory Policy Act (PURPA) 1978, Title II, Section 210-Cogeneration. Yes, I was then and am now familiar with the Act and our Nation's desire then to reduce our dependence on foreign energy. As well and possibly more important today is how it has played into the notion of Net Metering.

In the matter now of renewable generation, PURPA 1978 provided a basis of endeavor for protecting the rights of utilities and, sensing that Americans at the time also had some right if not inclination to self-generate, provide for the aspiring customer-generator. Having said these things then, I'd like to move forward rather quickly with a very brief concept of that which I believe would promote not only more supply-side (customer-owner incentive to install) but which would fit well with the State's goal to encourage utilities to increase renewable sources within their portfolio if not directly into their fleet.

Under the current regulatory compact, the limits on both kW and kWh, offered for buyback, become barriers to large numbers of potential customer-operators, at least from my experience. Too many aspiring customer-generators, computing the cost/benefit of procurement, installation, maintenance and operation, come to the conclusion that the limited number of kWh qualifying for buy-back fail to satisfy their hopes for financial breakeven.

So to ask questions as a means to convey my points, why couldn't the limits for kW be constrained only by the physical limitations of the existing distribution system to the customer-owner meter or the distribution system as upgraded at customer expense for the purpose of the customer being able on a greater basis to offer more kWh for buy-back? And to take this a step farther, in my concept, utilities remain protected in and in a better way (economics) what they buy-back by limiting the exchange rate of buy-back during periods where the utility is energy rich to the avoided cost of fuel as defined then under PURPA 1978, and in periods where the utility is energy poor, the rate of exchange is the utility's retail rate in that period, and in all of these cases let's assume we limit the total amount of energy involved to

be kWh at or under the curve of the customer's normal (historically adjusted) use for the period in question. Then the question that comes to mind is what of when a customer-generator is capable of producing in excess of their normal usage? My thought is why shouldn't there be an incentive to the customer and utility to still be "partners". Thus, I believe there should be a working instrument (Energy Purchase In Excess of Customer Net Metering Agreement For Renewable Generation) for buy-back of kWh in excess of the customer-generator's normal usage. If I were asked how I would price it, then I would say it, too, should be priced at the utility's avoided cost of fuel and the utility would be required to purchase these kWh to help reduce generation of kWh from other-than-renewable sources. And to reiterate all I've proposed would only apply to customer-generators of renewable energy sources.

So to summarize, re-visiting the limits set with respect to Net Metering in such a way as to "better" induce more customer-generators would be beneficial to the environment, the utility fuel portfolio and concerned citizens. Citizens are weighing the cost/benefits to self-generate and frankly I believe more would be encouraged to become customer-generators of solar systems if there were more economic benefit to offset the cost of ownership.

Finally thanks to Ms Tan for allowing me the opportunity to comment.

Douglas H. Nickelson