



Lance Brown
Executive Director
P.O. Box 70072
Montgomery, AL 36107
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Lee Eng Tan
Senior Attorney
Office of the General Counsel
Florida Public Service Commission

Re: Request for Comments on Solar Energy in Florida

Pursuant to a request for comments on solar energy in Florida issued on April 23, 2015, PACE submits the following comments for your office's consideration.

Reliable and affordable energy are necessary for Florida to continue to grow, attracting new families and businesses. Florida should use lessons learned from other states in framing its energy policy regarding renewable energy, and specifically solar. Over the last decade there has been a strong push to incorporate more renewables into state energy portfolios, however many of these policies have resulted in negative consequences such as increased rates for energy consumers, taxpayer-funded subsidies and decreased grid reliability.

PACE believes that energy consumers, not regulations or statutes, should drive energy policy. Allowing solar to be considered on an even playing field with other renewable and traditional energy sources is the only way to ensure that consumers are not charged with higher costs and the cost of maintaining the grid does not become a burden on ratepayers.

Some states have established Renewable Portfolio Standards (RPS), or mandates that require a minimum amount of renewable energy to be generated as part of the total energy mix. However these mandates work against the free market and natural cost drivers, resulting in increased costs for all ratepayers, and a false demand for solar and other renewable energies that are not yet cost-

comparative with more traditional energy sources. Florida has been wise in rejecting the RPS model and allowing the market to drive energy resource decisions, a move that has kept Florida's energy costs consistently low.

A [recent MIT study](#) provides valuable insight for anyone discussing solar energy policies and comparing demand-side versus supply-side solar energy. A team of economists, chaired by Dean Richard Schmalensee, concluded that the United States should move away from net metering policies for rooftop solar. They say doing so is not only in the best interest of customers, but of the solar industry as well. The study also found that, contrary to claims frequently made by the solar industry about rooftop solar providing net benefits to the power grid, it actually results in higher distribution costs because of the need to accommodate two-way power flow. The economists find no justification for giving rooftop solar preferential treatment or subsidies over utility-scale solar, as they deliver the same product.

Utility scale solar can be realized at half the cost of rooftop solar, which is not to say that rooftop solar does not have a benefit for those that have it. It is perfectly fine for an individual consumer to make the personal decision to invest in rooftop solar. However, enacting regulations or policies that will overpay residential customers for excess solar generation, while beneficial to the rooftop solar user, is unsustainable and unfair to the broad base of utility ratepayers. Therefore, Florida's current net metering policies should be examined, as they may have a long term negative impact on Florida's solar future and controlling overall grid costs.

As a not-for-profit organization that represents electricity users in states across the Southeast, we urge the Florida Public Service Commission to ensure that the voices of customers are heard in dialogue about solar energy issues.

Sincerely,

A handwritten signature in black ink that reads "Lance Brown". The signature is written in a cursive, slightly slanted style.

Lance Brown