

## COMMENTS ON POLICIES TO DEVELOP SOLAR POWER IN FLORIDA

Submitted by Solar for Low Income Communities Too, Inc.

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These comments are filed by Solar for Low Income Communities Too, Inc., which is a nonprofit advocacy organization that seeks to advance policies to make solar power available to low income communities. All rooftop (distributed) solar programs in Florida do not target and are not available to low income communities. Members of those communities do not have the resources to make capital outlays for solar power and therefore are excluded from reaping the benefits of rooftop solar. The Public Service Commission could easily adopt policies that would cure that problem while at the same time increasing the use of rooftop solar as contemplated by Florida Statutes.

These comments answer the first question posed by the request for comments: which policies or programs would be most effective at promoting demand-side solar energy systems.

A no cost policy change that would make rooftop solar available in low income communities would be to allow members of those communities to buy solar power by the kilowatt-hour (kwh) from solar installers. Rooftop solar is now only available to businesses and persons that are able to pay the capital cost for solar electric systems, which typically cost tens of thousands of dollars. Leases are often out of reach for residents of low income communities because they lack the regular income stream necessary to add an additional monthly payment without the certainty that their electric bills will be reduced. On the other hand, allowing pay-by-the-kwh rooftop solar in low income communities would allow residents to pay solar companies only for the electricity actually produced by the rooftop solar array; if the solar array were to fall into disrepair or function below its expected capacity, the resident would simply pay for electricity from the utility in the way they pay the utility now. Thus, residents would have full access to rooftop solar, would need to make no capital investment, and would obtain electricity from rooftop solar without taking any risk at all.

The existing structure for the use of rooftop solar in Florida makes solar power inaccessible to low income communities. The unfairness of the current system is illustrated by comparing the current PSC rules to the accessibility of transport in automobiles and buses. People with sufficient means can purchase cars. Others

have sufficient means to lease cars and rent cars. And people that cannot afford their own car can take taxis or buses where they pay by the mile or pay by the ride. A prohibition on use of vehicles for taxis or buses would be fundamentally unfair to people without the income to have vehicles of their own — so unfair that it would be politically impossible. Yet existing PSC rules do exactly that as to rooftop solar. People who can't purchase or lease their own rooftop solar systems do not have access to rooftop solar and are simply barred from the benefits enjoyed by more affluent consumers.

Because of this fundamental unfairness to residents of low income communities, the PSC should allow pay-by-the-kwh rooftop solar in those communities.

The following answers to the questions posed by the PSC staff show that this policy comports fully with the statutory direction to the PSC to increase demand side solar, would require only a simple amendment to existing administrative rules, would have no impact on system reliability, would improve fuel diversity, and would impose no significant costs on utilities or their customers.

*1. What policies or programs would be most effective at promoting demand-side solar energy systems (i.e., programs effective on the customer side of the meter)?*

Answer: Allowing pay-by-the-kwh rooftop solar arrangements in low income communities would promote demand side solar energy systems and be cost effective for persons on the customer side of the meter.

*a) Can the policies or programs be implemented under current Florida statutes?*

Answer: The policy described above comports fully with the requirements of section 366.82(2), Florida Statutes, which requires the PSC to take measures to increase the use of rooftop solar.

*b) Can the policies or programs be implemented under current FPSC rules? If not, what changes or additions to the rules would be needed?*

Answer: No amendments to existing PSC rules would be required. However, the PSC would have to amend its interpretation of "Utility" in section 366.02(1), Florida Statutes, to mean that a "Utility" does not include rooftop solar systems in low income communities.

*c) What are the impacts of the policies or programs on system reliability?*

Answer: The proposed policy would have no effect on system reliability because that issue could not come into play until Florida reaches a solar penetration rate of 10 to 15%, a penetration rate that will not be reached in Florida for at least several years.

*d) What are the impacts of the policies or programs on system fuel diversity?*

Answer: Demand-side solar systems improve system fuel diversity by providing electricity that does not require the burning of fuels.

*e) Identify the cost-effectiveness of the policies or programs compared to traditional forms of generation.*

Answer: The proposed policy does not require any capital costs or investments from utilities. Thus, this policy is the most cost effective alternative because it imposes no costs.

*f) Identify specific costs associated with the policies or programs and who will bear these costs.*

Answer: The costs associated with this proposed policy are borne entirely by the suppliers of rooftop solar systems to residents in low income communities and no costs are imposed on utilities that would be passed on to ratepayers. The theory has been articulated that any reduction in the use of electricity generated by the utility, which would include rooftop solar in any community, requires nonparticipants to share a slightly larger share of capital costs. However, the reduction of the extremely high costs of energy at the peak times during the summer offsets these costs.

One of the most important questions is the value of rooftop solar in reducing peak power generation costs. Answering that question requires a comparison of the costs of peak power generation by utilities to the marginal costs of peak power from rooftop solar. Thus, the PSC should request all utilities to submit documents showing the actual market cost of peak power purchased on the electric grid. The actual peak market electric cost for the last several years should be used to estimate the electric generators' costs avoided by rooftop solar. Those peak generation costs are very substantial, as revealed by the fact that the utilities have determined that efficiency measures that reduce peak load — such as high-efficiency air

conditioners — are cost-effective even with very high incentive payments. It is likely that this comparison would show that the avoided costs of peak power generation are larger than or equal to all costs associated with increased use of rooftop solar.

*g) Identify how the policies or programs will be fair, just, and reasonable across the general body of ratepayers.*

Answer: This proposed policy will advance the interests of the ratepayers by focusing on the needs of residents in low income communities and making them to the maximum extent practicable beneficiaries of the PSC's solar policy development. In addition, it is likely that increasing the use of rooftop solar will decrease peak period electrical generation costs by the utilities enough to fully offset the costs resulting from increased use of rooftop solar. In any event, increased use of rooftop solar will delay the future need for massively expensive new power plants and related capital investments.