

June 23, 2015

Florida Public Service Commission
2540 Shumard Oak Drive
Tallahassee, Florida 32399

The Tea Party Network wishes to thank the Florida Public Service Commission for the opportunity to provide its views on solar policy. We are a coalition of tea party, 9/12 and other conservative groups within the state of Florida. The mission of our network is to facilitate communication and education while focusing on free market economics, Constitutionally limited government and fiscal responsibility.

The organizations' focus as it relates to solar power is founded on property rights and the right to conduct commerce freely without being unduly restricted by government sanctioned monopoly power companies. Therefore, the recommendation expressed here will be in reference to so-called demand side solar located on the property of Floridians' homes and businesses.

Florida's electric market is dominated by laws that support monopoly utility laws that haven't changed significantly for over a century. The so called "regulatory compact" was created in the early 1900's to ensure that customers would be provided reliable service at a reasonable cost. From a service and cost perspective it made sense back then. After all, it was more economically efficient for one company to build and operate power generation and transmission lines, rather than many companies. Times have changed as have power production technologies, but Florida's laws have not. Many states have deregulated their markets to offer wholesale and retail competition, Florida has not. In Florida, the state-sanctioned monopoly utilities reign supreme, earning a hefty return of 10.5% on power plant and transmission projects. For instance, FPL earned approximately \$1.5 billion dollars from its captive customer base last year, while its influence in the Legislature blocks solar choice for customers.¹

Florida laws should be updated to reflect current technological realities and desires for customer to have the option to generate their own power and have more control over their energy future. This begins with: 1) upholding Floridians right to interconnect to the distribution grid with renewable energy devices, such as solar power, without being subject to punitive fees and charges by power companies, and 2) for allowing free commerce to provide Florida's businesses and families financing options that will bring solar power, and the ability to self-generate power, within their grasp.

¹ Florida Center for Investigative Reporting, In Sunshine State. Big Energy Blocks Solar Power, April 3, 2015, at: <http://fcir.org/2015/04/03/in-sunshine-state-big-energy-blocks-solar-power/>

The benefit of these principles is clear. Our economy thrives on energy innovation, competition and choice which all reduce electricity costs. Floridians support energy options and clear the way for innovation to meet that changing customer demand and lowering the cost of electricity for us all. Moreover, solar power has no fuel costs, so Florida's families and businesses can lock in stable rates for the long term. In furtherance of those principles, we recommend the following policies.

Uphold net metering

Net metering is a reasonable policy that allows residential and commercial customers who generate their own electricity from solar power to feed electricity they do not use back into the grid. It allows customers to generate power for their own home or business from solar power and send any excess power to the grid for a credit on next month's bill. Any excess power provided is rolled over to the following month on a 1:1 kWh credit. Most of the power, although, is used on site. The state has appropriately required standardized net metering and interconnection agreements since 2008 for both investor-owned utilities and municipal and cooperative utilities.²

There are many benefits to customer-sited generation. It reduces fuel costs for the power companies, because they don't have to generate as much power as they might otherwise, it reduces line losses when electricity has to travel long distance from centralized power stations, the fuel is free so it reduces our reliance on imported fuels providing for energy independence, and helps to keep dollars in the state.

Power companies argue that solar customers may be shifting costs to other customers and try to charge solar customers for the right to use net metering. This Commission should resist attempts by Florida's big power companies to slap punitive charges and fees on to customers. Every retail electricity customer – whether it be a 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. Reductions in customer grid electricity sold by a monopoly utility should not be counted as a cost to the utility - or other customers. Additionally, Florida has a mere 6,600 demand side solar systems interconnected to the transmission grid. With over 9 million electricity customers, this amounts to less than 1/10 of 1% of electricity customers using solar power – suggesting that these customer are causing costs is disingenuous at best. The state should be doing more to rid the state of oppressive laws that prevent more Florida homes and businesses from being able to self-generate.

Remove the prohibition to 3rd party retail power purchase agreements

² Section 366.91, FS

The state does not allow common-sense financing options that make energy investment more affordable, such as retail power purchase agreements.³ It does not allow residential or commercial third party power purchase agreements. In fact, it is only one of four states that expressly prohibit such an arrangement. In short, free commerce is held hostage to antiquated laws. Recently, Georgia cleared the way for Georgians to choose solar energy and to choose the financing option that makes that energy investment the most affordable. That state is now poised to become competitive with other states which, for years, have given American homes, businesses, schools, churches and the US military the freedom to save money through financing options that reduce the upfront cost of solar power installations.

Florida should do the same. Floridians have a right to be in charge of their own energy future and be free to conduct commerce with whoever they choose to help realize that future. The customer, or a solar provider bear the cost of the solar system, and through interconnection and net metering can provide valuable benefits to the utilities' grid system. Moreover, solar energy keeps energy dollars invested or spent here at home, in our own communities. By putting solar on roofs, solar creates local construction jobs that cannot ever be outsourced overseas.

While this type of financing arrangement is likely beyond the Public Service Commission's jurisdiction, we nevertheless support the legislative action to allow this type of financing vehicle. Moreover, we support the Floridians for Solar Choice ballot petition⁴ to let the voters decide on expanding financing options for solar to power Florida's homes and business.

Thank you again for the opportunity to comment on the importance of property rights and free commerce in reference to solar policy questions in Florida.

Catherine Baer

The Tea Party Network Chair

³ 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 cost.

⁴ Floridians for Solar Choice, at www.flsolarchoice.org