

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition for approval of shared solar
tariff, by Tampa Electric Company

Docket No. 20180204-EI

Filed: March 15, 2019

**VOTE SOLAR'S MOTION FOR LEAVE TO
FILE AMICUS CURIAE MEMORANDUM**

Vote Solar moves the Florida Public Service Commission ("Commission") for leave to appear and participate as Amicus Curiae and to file the attached memorandum addressing Tampa Electric Company's Petition for Approval of Shared Solar Tariff. In support, Vote Solar states:

1. Vote Solar is a registered 501(c)3 nonprofit grassroots advocacy and public policy organization whose purpose is to help bring solar energy into the mainstream across the U.S. Vote Solar seeks to promote the development of solar at every scale, from distributed rooftop solar to large utility-scale plants. Vote Solar has over 80,000 members nationally, including over 30,000 members in Florida. Vote Solar is not a trade group, nor does it have corporate members.

2. Vote Solar participates in proceedings across the country in support of pro-solar state and federal policies and programs. In the process, Vote Solar has gained valuable and broad expertise that it seeks to share with the Commission. Vote Solar uses its extensive technical and policy expertise to advocate for regulatory and legislative policies conducive to increasing solar energy.

3. Vote Solar has significant expertise in community solar, and oversees the development and implementation of community and shared solar policy initiatives across the country. Vote Solar's policy experts review regulatory filings, perform technical analyses, and participate in legislative and regulatory proceedings across the U.S. related to community solar,

including in California, Colorado, Connecticut, Delaware, Hawaii, Illinois, Michigan, Maryland, Massachusetts, Minnesota, New Jersey, New York, Nevada, New Mexico, Pennsylvania and Virginia.

4. When properly designed, community solar programs can promote access to solar for all consumers and share the benefits of solar power across subscribers, ratepayers, and program developers. Improperly designed programs, however, may not result in more renewable power, expand access, or spread economic benefits. As a result, getting program design right from the beginning is critical for success.

5. In November 2018, Vote Solar partnered with the Interstate Renewable Energy Council to create a Checklist for Voluntary Utility-Led Community Solar Programs¹ to provide guidance around voluntary community solar program best practices. The Checklist is intended to help evaluate and create consumer-centric programs to ensure more consumers can access and benefit from community solar, including those that are not able to take advantage of installing solar panels at their residence due to living in rental housing or not having appropriate roof space.

6. In addition to its direct experience in developing community solar best practices, Vote Solar can lend valuable insights, analyses and expertise to the Commission in the following areas as it considers the issues raised by Tampa Electric Company's proposed Shared Solar Rider:

- **Technical Expertise:** Energy policy is a complex and dynamic arena in which Vote Solar is well versed and experienced. Vote Solar's technical experts can help regulators and other policymakers understand policy options, make the case for strong program and regulatory design, and implement the programs that are going to most effectively

¹ The Checklist for Voluntary Utility-Led Community Solar Programs is available online at <http://www.votesolar.org/cschecklist>.

support diverse and sustainable solar growth.

- **Public Engagement:** As the Commission has recognized in the past, the public supports the growth of solar energy. However, Vote Solar has learned that the policy and regulatory processes deciding the future of solar - including in the instant docket - are remarkably inaccessible to the general public. Vote Solar strives to provide the public with a strong voice in the many critical policy decisions through the press, social media and grassroots education and engagement.
- **Coalition Building:** Vote Solar aims to transform one of this country's most powerful industries at the state level. Vote Solar multiplies the impact of its extensive expertise, skills and resources by collaborating with local and national partners wherever possible. From its position as an independent solar advocacy group, Vote Solar plays an important role in bringing diverse interests together toward the common goal of solar growth.

7. It is within the Commission's jurisdiction to allow amicus curiae participation in Commission proceedings,² and the Commission has previously permitted Vote Solar to participate in energy-related proceedings as an amicus curiae.³ Vote Solar does not seek status as a party, but rather seeks to provide information for the Commission's use and consideration. Vote Solar's participation in this docket will be beneficial to the Commission in analyzing and reviewing

²Order No. PSC-00-1265-PCO-WS, issued July 22, 2000, in Docket Nos. 990696-WS and 992040-WS, *In re: Application for original certificates to operate water and wastewater utility in Duval and St. Johns Counties by Nocatee Utility Corporation; and In re: Application for certificates to operate a water and wastewater utility in Duval and St. Johns Counties by Intercoastal Utilities, Inc.*

³ Order No. PSC-2019-0038-PCO-EQ, issued January 14, 2019, in Docket No. 20180169-EI, *In re: Petition for declaratory statement regarding PURPA solar qualifying facility power purchase agreements, by Duke Energy Florida, LLC.*

Tampa Electric Company's Shared Solar Rider.

8. As discussed in more detail in Vote Solar's proposed Amicus Curiae Memorandum, a well-designed voluntary community solar program generally provides customers the ability to access renewable energy solutions to meet their objectives, whether they seek to lower their electric bills, hedge against future price increases, reduce pollution or contribute to local economic development. It must provide customers the opportunity to replace at least a portion of their electricity use with renewable energy; assure customers that their participation results in additional renewable energy on the grid, leading to pollution decreases that would otherwise not have been achieved; have sufficient availability to meet customer demand; and ensure that the pricing and crediting is both fair and transparent. Projects should also be implemented in a way that maximizes economies of scale, provides tangible economic benefits to individual subscribers, and includes meaningful provisions or targets to support participation by low-income households and other underserved communities.

9. While Vote Solar applauds Tampa Electric Company for exploring a new option for its customers to purchase green power and meet their sustainability goals, the Shared Solar Rider, as currently proposed, does not reflect community solar design best practices, and if implemented as proposed it is not expected to meet customer expectations or the stated goals of the program. Specifically, and as explained more thoroughly in Vote Solar's proposed Memorandum, the tariff does not appear to drive new solar power development, does not share the economic benefits of solar power, and is unlikely to unlock access for all customers. For these reasons, we request that the Commission deny approval of the Company's petition and instruct it to re-design the tariff with community solar best practices in mind. These comments illustrate Vote Solar's concerns with the program and point to principles and practices that would lead to better design that maximizes customer benefits and meets participants' expectations.

10. Vote Solar has contacted counsel for Tampa Electric Company and represents that Tampa Electric Company advised that it objects to this Motion.

11. Copies of all notices, pleadings and other documents with respect to this Motion should be furnished to:

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WHEREFORE, Vote Solar respectfully requests that the Commission accept for filing and consider the arguments and concerns expressed in the attached Amicus Curiae Memorandum when reviewing Tampa Electric Company's proposed Shared Solar Rider.

Respectfully submitted on this 15th day of March, 2019.

/s/ Marsha E. Rule

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I HEREBY CERTIFY that a true and correct copy of the foregoing motion has been furnished by electronic mail on this 15th day of March, 2019, to the following:

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VOTE SOLAR'S AMICUS CURIAE MEMORANDUM

Vote Solar submits this Amicus Curiae Memorandum to assist the Commission in its review of Tampa Electric Company's ("TECO") proposed Shared Solar Rider.

1. INTRODUCTION

1. Vote Solar applauds TECO for exploring a new option for its customers to purchase green power and meet their own sustainability goals. The Shared Solar Rider, however, fails to provide a solution for its customers that drives additional renewable energy resources in Florida. Vote Solar encourages the Commission to require TECO to dedicate a new solar resource to its proposed Shared Solar Rider. At a minimum, the Commission should require that the Renewable Energy Credits associated with the proposed Rider be transferred to subscribing customers.

2. In its Petition, TECO notes that there are a growing number of community solar projects in Florida and across the country. The proliferation of these community solar programs reflects the environmental, economic, and social benefits that solar power can bring to communities and the increased interest of consumers in making choices about their energy usage. Unfortunately, the shared solar program proposed by TECO lacks many critical elements of a true community solar program; rather, it relies on solar facilities that have already been approved, and importantly, for which cost recovery will be provided through the solar base rate adjustment ("SoBRA").

3. Properly designed community solar programs can promote access to solar energy for all consumers, while equitably sharing the benefits of solar energy across the spectrum of

subscribers, ratepayers, and program developers. Improperly designed programs, however, are not likely to result in additional renewable power, expand access, or distribute economic benefits.

4. Contrary to best practices, the proposed Rider will not drive new solar development or make solar energy available to all customers regardless of economic status or income. Moreover, it does not appear that subscribers' participation will advance solar in TECO's service territory, nor will they receive any of the Renewable Energy Credits associated with such a facility.

2. VOTE SOLAR'S CONCERNS REGARDING TECO'S PROPOSED RIDER

A. The proposed Shared Solar Rider will not increase the amount of renewable energy available to serve customers.

5. True community shared solar programs represent an alternative to rooftop or behind-the-meter customer owned or leased solar projects. As with rooftop solar power, customers expect that their commitment will result in additional solar energy investments by their utility. Therefore, a bedrock feature of community solar projects is that individual subscriptions result in additional solar energy on the electrical grid.¹ Although TECO alleges in a discovery response that its program "results in more renewable generation"², this is not the case: TECO admits that its proposed Rider relies on solar energy generated by its existing and previously-approved Lake Hancock solar facility.

6. None of the solar capacity at the Lake Hancock solar facility appears to be driven by the proposed Rider. The Commission has already approved the entire Lake Hancock facility

¹ Vote Solar and the Interstate Renewable Energy Council, *A Checklist for Voluntary Utility-Led Community Solar Programs*, <http://www.votesolar.org/cschecklist>.

² See TECO response to Staff's first data request at p. 8.

during TECO's second SoBRA proceeding, with an in-service date of January 2019.³ This is an existing solar resource that will continue to operate regardless of whether the Commission approves TECO's after-the-fact Tariff, and regardless of whether a single ratepayer subscribes to it. Therefore, energy from the solar facility designated for the Rider will flow to the grid for the benefit of all ratepayers, whether or not the program as proposed has subscribers. Thus, the benefits that the Lake Hancock facility provides, including ongoing clean energy generation and reduced pollution, cannot be attributed to this Rider. The program effectively asks subscribers to pay a premium for no material change to TECO's electricity generation.

7. TECO's proposal also explicitly notes that "[t]he Company will retain ownership of the Renewable Energy Credits",⁴ eliminating the ability for individual subscribers to claim any environmental benefits associated with the Rider.

8. Vote Solar supports TECO's attempt to explore a new option for its customers to purchase solar energy and meet their own sustainability goals, but the proposed Tariff fails to provide a solution for its customers that ensures a direct link between participation and new solar energy resources in Florida.

B. The Shared Solar Rider does not offer an opportunity for subscribers to share in the economic benefits of solar power.

9. Individuals who participate in renewable energy programs are typically motivated by the desire to lower their energy costs. A 2016 report by the Smart Electric Power Alliance

³ Petition by Tampa Electric Company for limited proceeding to approve Second SoBRA , p. 17. See also TECO's response to Request No. 17 of Staff's First Data Request in this docket at p. 21: "If the SSR-1 tariff is closed for any reason, or if Tampa Electric does not achieve full participation under the SSR-1 tariff, the 17.5 MW SSR-1 portion of Lake Hancock not serving SSR-1 will be producing energy output for the general body of ratepayers."

⁴ Petition, p. 12

and the Shelton Group indicates that 65 percent of residential customers are interested in solar because it provides the potential to reduce their energy costs.⁵

10. Unlike most community solar programs, subscribed energy from TECO's proposed Rider does not directly offset energy consumption by the subscriber. Instead, subscribers would pay an additional 6.3 cents per kilowatt-hour in addition to the cost of service under their normal retail tariff in exchange for waiving a portion of the fuel charges on their electric bill. In spite of this substantial monthly cost increase, TECO claims that participation in the Rider "can benefit participating customers from the utility's cost of solar."⁶

11. The Rider's proposed price does not seem commensurate with the current cost of solar power. While the exact details of the program's price were not readily available to Vote Solar, the proposed 6.3 cents per kWh charge appears to represent a sizeable premium on the cost of utility-scale solar. The CEO of Florida-based NextEra Energy recently placed the levelized cost of utility scale solar power at between two and a half and three cents per kilowatt-hour, or roughly half of the price offered by the Rider.⁷ Additional program administration costs⁸ for shared solar program would likely increase the total cost to TECO but are not likely to double it.

12. TECO admits that in its first year, the proposed Rider will not provide economic value for subscribers. By TECO's calculation, the electricity bill of a typical residential

⁵ *What the Community Solar Customer Wants*, Smart Electric Power Alliance and the Shelton Group, <https://sepapower.org/resource/what-the-community-solar-customer-wants/>.

⁶ Petition, p.3.

⁷ PV Magazine, "NextEra: solar and wind plus batteries will be 'massively disruptive' to conventional generation."

⁸ See Petition at p. 5, stating that the subscription cost "has been calculated based on a levelized rate for full recovery of the SSR-1 assigned MWs of the Lake Hancock unit as well as certain costs to administer the program."

consumer who is 100% subscribed to its proposed SSR-1 would increase by \$36 per month,⁹ or over \$400 per year. In response to staff data requests, TECO clarified that beneficial bill impacts could come “in later part of life of SSR-1 facility,”¹⁰ but cost parity under the program as proposed is not projected to occur until around 2035 – sixteen years from now.¹¹ TECO also disclosed the risk that its program design creates for subscribers: “[p]aying more for shared solar in early years in anticipation that the shared solar program may act as insurance against higher fuel costs may not pan out if fuel costs don’t increase or if the customer moves before future year fuel cost increases benefit them.”¹²

13. The Commission should direct TECO to redesign the Rider in a way that properly values the benefits of distributed generation. Vote Solar recommends that TECO allow customers to use subscribed solar to displace their aggregate retail rate, minus a reasonable charge to account for the distribution cost component.¹³ This model most closely mirrors rooftop solar investments, while accounting for the costs to the distribution system of having a community solar project located away from the participating customer’s load.

14. Further, if TECO plans to dedicate a portion of a new utility-scale facility to a shared solar Rider, it should revisit and justify the additional program administration and subscription cost of the Rider compared to the cost of the utility-scale project.

C. The Shared Solar Rider offers no plan for or means to expand access to all customers.

⁹ Tampa Electric Company’s Responses to Staff’s First Data Request (“Staff 1”), p. 6.

¹⁰ Response to Staff’s 1st data request, p. 8.

¹¹ Response to Staff’s 1st data request, p. 38.

¹² Response to staff’s first data request at p. 9.

¹³ See, e.g., Colorado Revised Statutes, 40-2-127.

15. As TECO notes, the transformative potential for community solar lies in its ability to break down barriers to solar investment for all consumers. Low and moderate-income ratepayers face particular barriers to accessing solar power, and community solar programs present some of the best opportunities for unlocking solar power for these underserved customers and communities. The Interstate Renewable Energy Council notes that “effectively providing [community solar] access to these customers requires targeted program design measures.”¹⁴ Although TECO’s no-upfront-cost, monthly-commitment proposal follows some of the best practices for accessibility to low- and middle-income ratepayers, TECO has not offered a plan for outreach, a goal for the inclusion of low- and middle-income ratepayers, or specific programming to reduce the cost burden for those who are least able to pay. Without elements like these, there is little reason to think the plan will benefit all ratepayers equally or meaningfully expand access to solar energy in Florida.

16. Vote Solar, in partnership with GRID Alternatives and the Center for Social Inclusion, has developed a Low-Income Solar Policy Guide, available at <http://www.lowincomesolar.org/>. The Low-Income Solar Policy Guide is a resource for public service commission, policymakers, community groups, and others who wish to drive the adoption of policies that will increase access to solar. The Guide incorporates numerous case studies and can be a tool for the Commission, Staff, TECO, intervenors and other stakeholders interested in equitable and effective community solar solutions for the State of Florida.

3. CONCLUSIONS AND RECOMMENDATIONS

- A. **The Commission should deny the Petition and direct TECO to redesign its Rider to comport with best practices.**

¹⁴ Interstate Renewable Energy Council, *Five Guiding Principles for Shared Renewable Energy Programs*.

17. As proposed, TECO's Shared Solar Rider would not drive new solar power, does not harness solar savings for subscribing customers, and will not effectively expand access to all consumers. Cumulatively, these programmatic shortcomings make it unlikely that the program will actually "[extend] the ability of customers to participate in a greater way in the development and consumption of solar energy."¹⁵

18. Vote Solar and the Interstate Renewable Energy Council's *Checklist for Voluntary Utility-led Community Solar Programs* provides a framework for understanding community solar programs, and common programmatic best practices that can lead to a beneficial program. TECO's Rider, as proposed, is not likely to deliver on core best practices. The Commission should ensure that TECO's program gets it right and provides benefits for all. Specifically, the Rider should be revised to incorporate the following practices:

- Make the program additive so that it results in additional renewable energy resources on the distribution grid that otherwise would not have been procured by the utility to serve all customers.
- Structure the subscription offering for customers in a way that provides near-term and long-term economic benefits for all subscribers.
- Include targets for participation by low and moderate-income households along with provisions to ensure these customers receive significant energy bill savings that can be realized immediately.
- Require disclosure of program administration, marketing, education, and other costs that result in the current Rider price proposed by TECO.
- Incorporate annual reporting to facilitate program review and adjustments over time.

¹⁵ Petition, p. 2.

For the reasons identified and discussed herein, the Commission should deny TECO's proposal or require the Company to develop and allocate new solar resources to the Rider. At the very least, TECO should transfer Renewable Energy Credits to subscribing customers. As noted previously, TECO's proposal will not promote additional solar energy facilities in Florida. Moreover, the 6.3 cents/kWh tariff charge, when added to customers' normal monthly electric bill, will be very costly without providing any clear corresponding customer benefit. For these reasons, Vote Solar is concerned with the policy implications that would result from the Commission granting the TECO Petition.

WHEREFORE, Vote Solar urges the Commission to deny TECO's Petition for approval of its proposed Shared Solar Rider.

Respectfully submitted on this 15th day of March, 2019.

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