FLORIDA POWER & LIGHT

GRADE: B

Florida Power & Light (FPL) is Florida's largest utility with over 5 million customers. FPL is merging with Gulf Power, making it into a behemoth, eclipsing the next biggest utility in the state (Duke) planning to produce nearly three times more energy in 2029. FPL receives an overall grade of B, bolstered by its plan to nearly eliminate coal-powered energy and install more solar than the rest of the utilities in this report. FPL loses points for stifling market competition for solar development and continuing to invest in new gas assets, despite its own predictions of increasing gas prices.

Renewable Energy and GHG Reductions: Parent company NextEra has set a goal to reduce its carbon emissions rate by 67% by 2025, from a 2005 baseline, but was recently graded F by the Carbon Disclosure Project. FPL includes a carbon compliance cost in planning, beginning in 2026. FPL plans to build 8,860 MW of new solar, and reach 16% renewable energy by 2030, which puts FPL at the head of the class in Florida. However, FPL remains below its peer utilities around the country, including PG&E with a 2030 target of 60% renewables and APS with a 2030 target of 45% renewables. This new solar is part of FPL's '30 x 30' announcement to add 30 million solar panels to its service territory by 2030. But this year's plan appears to backslide on that commitment by spreading some of the planned solar into Gulf's service territory post-merger.

Gas Over-dependence: FPL plans on investing heavily in gas infrastructure, despite its own prediction that gas prices will nearly double from $2.42 in 2020 to $4.25 in 2029. FPL plans to develop nearly 2 GW of new gas capacity at a possible cost of $1.7 billion dollars, including upgrading combined cycle (CC) units, converting coal plants to gas, and building 4 new combustion turbine (CT) gas plants. Unfortunately for Florida consumers, CC upgrades, conversions from coal units to gas, and new CTs do not require Commission approval or review prior to construction. All this despite FPL's parent company, NextEra stating that gas investments are increasingly uneconomic compared to solar and battery storage. Jim Robo, CEO of NextEra Energy, has described solar as being "very, very competitive" compared to gas-fired generation, and notes "a significant opportunity in almost every part of the country where batteries are now more economic than gas-fired peakers, even at today's natural-gas prices."

Uneconomic Coal: FPL significantly reduces its use of coal to near 0% by the end of the decade. It plans on the early retirement of 4 uneconomic coal units (about 1500 MW total by 2024).

Consumer Protection and Affordability: FPL's SolarTogether program has the largest carveout for low-income customers in the U.S., giving vulnerable households access to solar savings. However, FPL is far behind other Florida utilities in delivering energy-saving efficiency programs to its most vulnerable customers. In fact, ACEEE ranks FPL as second to worst of the nation's top 52 utilities on energy efficiency. In response to the COVID-19 pandemic, FPL has suspended disconnections through July and is waiving late fees and offering additional consumer payment plan options. But, it may be reverting back to normal disconnection operations at the end of July — despite a resurgence of cases and unemployment claims in mid-July.

Market Competition: All of FPL's solar sites are self-built, which shortchanges opportunities for solar market development or for lower-cost third party owned systems. Unlike many of its peers in Florida, FPL has no planned renewable energy power purchase agreements (PPAs) over the next decade.

Customer Choice: FPL has nearly 17,000 rooftop solar net metering customers in its territory, and recently launched the largest utility-sponsored community solar program in the country; but customer demand for solar energy still outstrips supply.

Investment in Resilient Storage: FPL has made a strong start on storage, with 469 MW under development now in FPL territory. The company also plans for 700 MW of new battery storage but not until 2028 and 2029, in Gulf territory. The company can improve upon incentivizing solar+storage and microgrid capabilities for customers who need it.

Electric Vehicle Promotion: FPL includes EV growth projections in its energy forecasts, and Gulf has two specially designed rates for residential customers with EVs. FPL is evaluating similar programs or tariffs for PEVs, and has the FPL Evolution pilot, which will install more than 1,000 EV chargers across the state.

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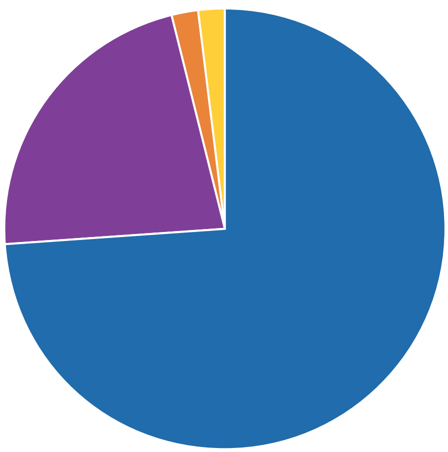
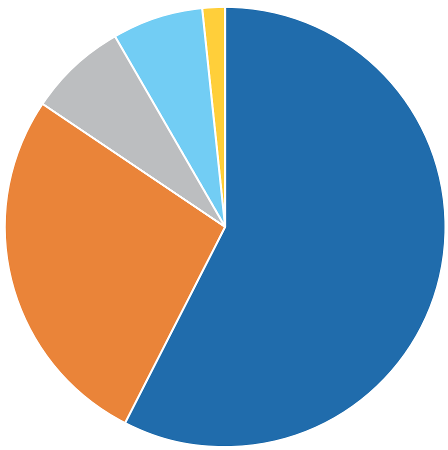
FPL Energy Mix, 2019 (Actual)



Gulf Energy Mix, 2019 (Actual)



FPL/Gulf Energy Mix, 2029 (Planned)