TAMPA ELECTRIC COMPANY (TECO)

GRADE: B+

Tampa Electric (TECO) is an investor owned utility with over 770,000 customers in the Tampa region. TECO earns a B+ with the highest percentage of solar installed in 2019. It also increases its solar to 13% in 2029, scales back on coal, and offers community solar options and an energy storage pilot. It is very reliant on gas and faces risks of increased fuel costs over the next ten years.

Renewable Energy and GHG Reductions: TECO more than triples its solar energy production from 756 GWh in 2019 to a peak of 2,964 GWh (or 14% of its energy mix) in 2024. That said, it does not plan to continue investing in additional solar after 2024.

Gas Over-dependence: TECO is very heavily dependent on natural gas, a resource that it admits is subject to price volatility and supply risks. The company's gas dependence only gets worse over the next ten years, going from over 17,000 GWh of gas in 2019 to almost 19,000 GWh in 2029. TECO plans to spend ratepayer dollars on gas infrastructure, including making improvements to seven combustion turbine plants over the decade. The utility is retiring 891 MW of natural gas capacity at the Big Bend facility, a natural opportunity to diversify its energy mix. But, instead of investing in new renewable energy, it plans to build even more new gas capacity — 1542 MW.

Uneconomic Coal: TECO made good progress between 2018 and 2019 cutting its coal-based energy output in more than half from 2,982 GWh (or 14% of its total energy mix) to 1,214 GWh (or 6% of total energy mix). Coal continues to decline to around 2% of TECO's energy mix in the years 2023-2029.

Consumer Protection and Affordability: TECO's energy efficiency programs are better than most Florida utilities, and it plans to reach nearly a quarter of its low income customers with energy saving programs over the next decade. TECO has voluntarily suspended disconnections through the end of August, offers 12 month repayment plans, and has donated $1 million to the Salvation energy bill support program. Unfortunately, that is unlikely to address the growing problem of energy debt. TECO can do more to support its neediest customers during this time of crisis including arrearage forgiveness and expanded energy efficiency programs to lower customer bills.

Market Competition: TECO states it "will continue to assess competitive purchase power agreements and DSM programs that may replace or delay the scheduled [new natural gas] units. Such optimizations must achieve the overall objective of providing reliable power in a cost-effective manner." Yet TECO decreases its use of purchased energy from 6.3% in 2019 to less than 1% of its total energy mix by 2029.

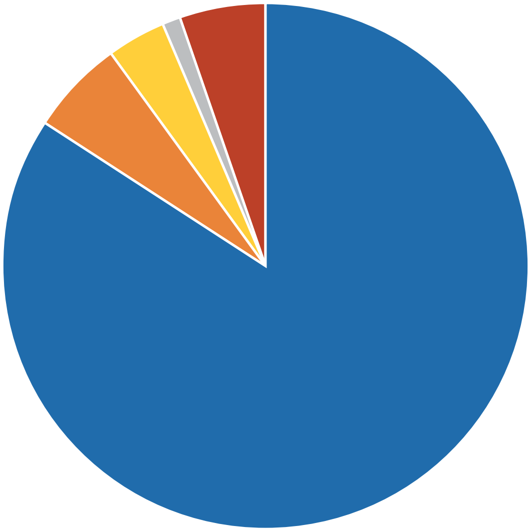
Customer Choice: TECO offers a robust solar net metering program to its rooftop solar customers, and also launched a 17.5 MW shared solar program called SunSelect in 2019, with plans to add additional solar capacity to meet the large demand from customers. It has also run a solar power purchase program called the Sun to Go program for 13 years.

Investment in Resilient Storage: TECO points to the value that storage can bring to the grid, and has proposed a pilot program to study the interactions of a fully integrated renewable energy system that contains solar, batteries, car charging and industrial truck charging, which will inform demand response programming and storage options for C&I customers. It is also gaining experience with solar + 13MW battery for energy arbitrage and peak shaving at the Big Bend facility. It plans to add 220MW of distributed battery storage capacity this decade.

Electric Vehicle Promotion: TECO included EV loads into its forecasts, and is participating in an R&D project. But, it does not currently offer any incentives for EV deployment.

Placing energy storage closer to the load can improve customer resiliency, effectively shave the peak, and defer or avoid transmission and/or distribution system upgrades.

TECO Energy Mix, 2019 (Actual)



TECO Energy Mix, 2029 (Planned)