Southern Alliance for Clean Energy comments on Net Metering

FPSC Net Metering Workshop
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The Southern Alliance for Clean Energy (SACE) is a nonprofit organization that promotes responsible energy choices to ensure clean, safe, and healthy communities throughout the Southeast. As a leading voice for energy policy in our region, SACE is focused on transforming the way we produce and consume energy in the Southeast.
• “Net metering transactions are considered retail services, and the law is clear that jurisdiction over retail services rests exclusively with states and state commissions.”

• “Customer-owned renewable generation is defined in statute and rule as ‘an electric generating system located on a customer’s premises that is primarily intended to offset part or all of the customers electricity requirements with renewable energy.’... primarily acts as a conservation measure.”

The Legislature finds that it is in the public interest to promote the development of renewable energy resources in this state. Renewable energy resources have the potential to help diversify fuel types to meet Florida’s growing dependency on natural gas for electric production, minimize the volatility of fuel costs, encourage investment within the state, improve environmental conditions, and make Florida a leader in new and innovative technologies.

Section 366.91, Fla. Stat.
2019 SOUTHEAST SOLAR SNAPSHOT BY STATE

- NORTH CAROLINA: 3,541 MW
- FLORIDA: 2,297 MW
- GEORGIA: 1,714 MW
- ALABAMA: 154 MW
- MISSISSIPPI: 224 MW
- TENNESSEE: 313 MW
- SOUTH CAROLINA: 1,379 MW

Total Southeast: 9,622 MW
• Utility-scale represents the vast majority of solar development across the entire region (including Florida).

• One of the misleading statistics in the Energy Fairness report asserts that “Solar accounted for 1.65% of Florida’s electricity needs in 2018.”
  • However, the vast majority of this is utility-scale solar; net metering represented only 0.2% in 2018.
**Watts per Customer Favors South Carolina**

- Florida utilities serve 10 million customers (about 4 times South Carolina, 2.6 million)
- Watts per Customer solar ratio is a suitable metric to gauge solar penetration.
- **Florida remains below the region average** for 2019-2020 and will track the region average 2021-2023.

<table>
<thead>
<tr>
<th>STATE</th>
<th>2019 W/C</th>
<th>2023 W/C</th>
</tr>
</thead>
<tbody>
<tr>
<td>SOUTH CAROLINA</td>
<td>551</td>
<td>1,262</td>
</tr>
<tr>
<td>NORTH CAROLINA</td>
<td>717</td>
<td>1,094</td>
</tr>
<tr>
<td>GEORGIA</td>
<td>349</td>
<td>943</td>
</tr>
<tr>
<td>FLORIDA</td>
<td>220</td>
<td>826</td>
</tr>
<tr>
<td>SOUTHEAST</td>
<td>326</td>
<td>822</td>
</tr>
<tr>
<td>MISSISSIPPI</td>
<td>310</td>
<td>516</td>
</tr>
<tr>
<td>ALABAMA</td>
<td>56</td>
<td>372</td>
</tr>
<tr>
<td>TENNESSEE</td>
<td>97</td>
<td>291</td>
</tr>
</tbody>
</table>

*This analysis excludes the portion of Kentucky served by TVA. Similarly, the PJM portion of North Carolina is excluded as is the MISO portion of Mississippi.*
Other metrics to gauge Solar Penetration?

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<thead>
<tr>
<th></th>
<th>FPL</th>
<th>DEF</th>
<th>TECO</th>
</tr>
</thead>
<tbody>
<tr>
<td>NEM Customers</td>
<td>16,957</td>
<td>21,275</td>
<td>5,172</td>
</tr>
<tr>
<td>Retail Customers</td>
<td>4,900,000</td>
<td>1,800,000</td>
<td>760,000</td>
</tr>
<tr>
<td>%</td>
<td>0.35%</td>
<td>1.18%</td>
<td>0.68%</td>
</tr>
<tr>
<td>NEM Capacity (MW)</td>
<td>149.9</td>
<td>174.6</td>
<td>54.2</td>
</tr>
<tr>
<td>Total Capacity (MW)</td>
<td>26,000</td>
<td>13,000</td>
<td>5,800</td>
</tr>
<tr>
<td>%</td>
<td>0.58%</td>
<td>1.34%</td>
<td>0.93%</td>
</tr>
<tr>
<td>NEM Generation (MWh/yr)</td>
<td>188,000</td>
<td>167,000</td>
<td>47,000</td>
</tr>
<tr>
<td>Retail Sales (MWh/yr)</td>
<td>110,000,000</td>
<td>40,000,000</td>
<td>19,600,000</td>
</tr>
<tr>
<td>%</td>
<td>0.17%</td>
<td>0.42%</td>
<td>0.24%</td>
</tr>
</tbody>
</table>
IN CONTEXT...

- 2008-2020, Florida brought online more than 3,500 MW of solar.
  - including over 500 MW of Net Metered solar.

- 2008-2018 Florida utilities closed 8 coal units (2,760 MW) and 1 nuclear unit (890 MW)
  - and brought online a net of more than 9,000 MW of fossil gas capacity
  - with 5,000 MW additional gas development in TYSPs
Tax Credit Lessons From the Wind Industry

Expiration of the Production Tax Credit (PTC) for wind at the end of 2012 caused a spike in development.

EIA anticipated a similar surge last year.

Phase-down, phase-out of the Investment Tax Credit (ITC) may be having a similar influence on recent net metering interconnections.

https://www.eia.gov/todayinenergy/detail.php?id=39472
**Shared Solar Programs**

- Tampa Electric SunSelect
- FPL SolarTogether
- Duke Clean Energy Connection (pending)

SACE expressed support for all three shared solar programs, with the understanding that the programs would be complementary to the existing Net Metering opportunity for self-generation.
South Carolina Example

• Broad stakeholder engagement has been a hallmark of success from Act 236 to Act 62 and beyond
• Collaborative settlement for implementation of net metering.
• Systematic engagement as net metering progress ensued.
• Collaborative settlement to temporarily extend net metering (when Duke Energy Carolinas reached a statutory threshold)
• Ongoing constructive engagement deriving from Act 62.

http://energy.sc.gov/node/3061
Summary and Conclusions

- Net metering is growing in Florida; however countervailing factors may temper growth projections
  - ITC phase-down, shared-solar programs
- Florida’s net metering penetration remains low; economic threat misleading
- Stakeholder-driven collaboration with utilities has surfaced innovative approaches in other jurisdictions.
  - triggered by higher penetrations of solar than Florida currently exhibits.
- SACE is open to similar collaboration with utilities in Florida at the appropriate time

Now's not the time to fix something that's not broken.