



Public Service Commission

CAPITAL CIRCLE OFFICE CENTER □ 2540 SHUMARD OAK BOULEVARD
TALLAHASSEE, FLORIDA 32399-0850

-M-E-M-O-R-A-N-D-U-M-

RECEIVED
MAY 3 11:00 AM '01
PSC

DATE: MAY 3, 2001

TO: DIRECTOR, DIVISION OF RECORDS AND REPORTING (BAYO)

FROM: DIVISION OF ECONOMIC REGULATION (SPRINGER) *ms DW*
DIVISION OF SAFETY AND ELECTRIC RELIABILITY (COLSON)
DIVISION OF LEGAL SERVICES (WALKER) *Kou JE*

JKC
JDT
73

RE: DOCKET NO. 010423-EI - PETITION BY TAMPA ELECTRIC COMPANY FOR APPROVAL OF MODIFICATION TO THE PILOT GREEN ENERGY RATE RIDER (GE RATE RIDER) AND PROGRAM.

AGENDA: MAY 15, 2001 - REGULAR AGENDA - TARIFF FILING - INTERESTED PERSONS MAY PARTICIPATE

CRITICAL DATES: 60-DAY SUSPENSION DATE: JUNE 8, 2001

SPECIAL INSTRUCTIONS: NONE

FILE NAME AND LOCATION: S:\PSC\ECR\WP\010423.RCM

CASE BACKGROUND

On June 8, 2000, Tampa Electric Company (TECO) filed a petition for a "customer optional" three-year pilot green energy rate rider and program. The petition was filed pursuant to a stipulation entered into by TECO and the Legal Environmental Assistance Foundation, Inc. (LEAF) as part of the Demand Side Management (DSM) goal-setting docket (Docket No. 971007-EG, Order No. PSC-99-1585-S-EG). The program is designed to provide TECO's residential, commercial and industrial customers an opportunity to purchase 50-kilowatt hour (kWh) blocks of renewable, "green" energy from photovoltaic and biomass sources. The program was approved at the September 5, 2001 Agenda Conference (Docket No.000697-EI, Order No. PSC-00-1741-TRF-EI).

On April 9, 2001, TECO filed a petition for approval of a modification to the Pilot Green Energy Rate Rider (GE rate rider) and program. The petition seeks to remove the maximum purchase

DOCUMENT NUMBER-DATE

05594 MAY-30

PSC-RECORDS-REPORTING

DOCKET NO. 010423-EI
DATE: May 3, 2001

limit of five green energy blocks per customer. The Commission has jurisdiction under the Florida Energy Efficiency and Conservation Act, Sections 366.80 - 366.85, Florida Statutes and Sections 366.04, 366.05, and 366.06, Florida Statutes.

DISCUSSION OF ISSUES

ISSUE 1: Should the Commission approve Tampa Electric Company's (TECO) petition for approval of a modification to its Pilot Green Energy Rate Rider and Program?

RECOMMENDATION: Yes. (Springer)

STAFF ANALYSIS: TECO's green energy program and rate rider is a three-year pilot program that permits customers to buy renewable energy produced from an 18 kW photovoltaic (PV) array and from steam generators that burn biomass fuel. Customers buy this energy in the form of blocks, each of which represents 50 kWh. Customers are charged \$5.00 per month for each block, and must take service for an initial term of 12 months. Presently, customers may buy up to a maximum of five blocks. TECO limited the number of energy blocks per customer in order to ensure the widest customer participation in the program.

In this petition, TECO seeks to remove the five block maximum for all program participants. To date, participation in the program has been less than anticipated. Currently, 113 residential customers have subscribed to a total of 179 blocks. There are currently no commercial participants. Recently, TECO has identified commercial customers seeking to buy more than the five blocks currently allowed. TECO believes that increased participation by businesses will improve public awareness of green energy. However, TECO is still committed to providing education and marketing to its residential customers. Based on TECO's representations, staff believes the removal of the five block limit will not adversely affect the program and its participants and may encourage commercial participation in the program. Therefore, staff recommends approval of the proposed modification.

DOCKET NO. 010423-EI
DATE: May 3, 2001

ISSUE 2: What is the appropriate effective date for the proposed tariff revisions?

RECOMMENDATION: If the Commission approves the Recommendation in Issue 1, the proposed tariff sheets should become effective on May 15, 2001. (Springer)

STAFF ANALYSIS: If the Commission approves the Recommendation in Issue 1, the proposed tariff sheets should become effective on May 15, 2001.

ISSUE 3: Should this docket be closed?

RECOMMENDATION: Yes, if no protest is filed within 21 days of the issuance of the order. (Walker) :

STAFF ANALYSIS: If a protest is filed within 21 days of the Commission order approving this tariff, the tariff should remain in effect pending resolution of the protest, with any charges held subject to refund pending resolution of the protest. If no protest is filed, this docket should be closed upon the issuance of a Consummating Order.