

COMMISSIONERS:
MATTHEW M. CARTER II, CHAIRMAN
LISA POLAK EDGAR
KATRINA J. McMURRIAN
NANCY ARGENZIANO
NATHAN A. SKOP

STATE OF FLORIDA



OFFICE OF THE GENERAL COUNSEL
MICHAEL G. COOKE
GENERAL COUNSEL
(850) 413-6199

Public Service Commission

February 15, 2008

RECEIVED-FPSC
08 FEB 15 PM 2:01
COMMISSION
CLERK

Wade Litchfield, Esquire
Florida Power & Light Company
700 Universe Boulevard
Juno Beach, Florida 33408

Re: Docket No. 070626-EI - In re: Review of Florida Power & Light Company's Sunshine Energy Program.

Dear Mr. Litchfield:

After review of information pertaining to Florida Power & Light Company's (FPL) Sunshine Energy Program, a need for additional information vital to this proceeding was apparent. Commission staff therefore requests that FPL supply the following information. Please note that this data request does not relate to the Sterling Planet contract for commercial customers.

1. Please refer to late-filed exhibit no. 3 to FPL witness Dennis Brandt's deposition in Docket No. 070650-EI. The response indicates that, in 2007, out-of-state tradable renewable energy credits (TREC's) purchased under the Sunshine Energy program increased to 276,730 from 166,535 in 2006, while in-state TREC's decreased from 136,257 to 97,017. It is our understanding that FPL's Sunshine Energy program will further encourage the development of the TREC market in Florida (see page 7 of PSC Order No. PSC-03-1442-TRF-EI, issued December 22, 2003, in Docket No. 030752-EI). Please provide a full explanation of why there was a shift to out-of-state TREC's in 2007.
2. Does FPL expect the relationship of out-of-state TREC's to in-state TREC's to continue in 2008 and future years? Please provide a full explanation.
3. Please refer to late-filed exhibit no. 3 to FPL witness Dennis Brandt's deposition in Docket No. 070650-EI. How much did Green Mountain pay for the 276,730 out-of-state TREC's in 2007? If the exact amount is not known, please explain why the exact amount is not known, provide an estimate, and explain how the estimate was derived. If no estimate can be provided, please explain why not.
4. Please refer to late-filed exhibit no. 3 to FPL witness Dennis Brandt's deposition in Docket No. 070650-EI. How much did Green Mountain pay for the 97,017 in-state TREC's in 2007? If the exact amount is not known, please explain why the exact amount is not known, provide

RECEIVED FROM N. COOKE
01199 FEB 15 08
FPSC-COMMISSION CLERK

an estimate, and explain how the estimate was derived. If no estimate can be provided, please explain why not.

5. Do out-of-state TRECs provide any economic growth benefits within Florida? Please discuss.
6. Do out-of-state TRECs provide any fuel diversity benefits within Florida? Please discuss.
7. Is it correct that the purchase of TRECs via this program provides a very small contribution to the cost of renewable generation? If not, please provide an explanation.
8. What is the cost relationship between the purchase of TRECs in the program to the cost of solar generation?
9. What is the total annual amount of contributions from customers (the \$9.75 a month per participating customer) from 2003 through 2007?
10. Does FPL believe that Green Mountain is in compliance with its contract provision to cause to have built 150 kW of solar facilities for every 10,000 customers? Please fully explain the basis for the answer.
11. Was the primary reason that FPL contracted with Green Mountain because of its expertise in purchasing TRECs? Please provide all other reasons.
12. Does FPL have audit rights to review Green Mountain's records, including access to cost information broken down by expenditures on TREC purchases, solar projects, marketing, and administration?
13. Please describe in detail what efforts FPL has undertaken to determine if the Green Mountain contract remains in the best interests of the program's participants?
14. Please provide a breakdown on how the program participants' contributions (on a per participant, per month basis) were used for the following categories for 2007:

Monthly contribution	\$ 9.75
FPL Administrative Costs
Out-of-State TRECs
In-State TRECs
Green Mountain marketing costs
Green Mountain administrative costs
Solar facilities

If the exact breakdown amounts are not known, please explain why the exact amounts are not known, provide an estimate, and explain how the estimate was derived. If no estimate can be provided, please explain why not. Please identify the source(s) of the breakdown information.

15. Please provide the cost justification for FPL's administrative charge of the difference between each \$9.75 monthly customer contribution and the price to Green Mountain, as indicated in Section 12.1 of FPL's contract with Green Mountain. Please provide detailed information on how FPL has used these funds since the program's initiation. How does FPL intend to use these funds in the future?
16. Please see Section 12.2 of FPL's contract with Green Mountain. Are there any taxes associated with the Sunshine Energy Program? If so, identify the taxes, and discuss which party is responsible for paying those taxes?
17. Regarding the rooftop solar project for residential customers in Naples, does FPL purchase all the power generated from these facilities? If not, please identify how much power is purchased by FPL, and what other entity or entities purchase power generated from the facilities.
18. Is the energy produced by the solar systems in the Naples project net metered? If not, please explain. Assume that the Commission's recently proposed interconnection and net metering rule becomes final in its present form. If so, will the compensation solar system owners receive for this energy be consistent with the net metering requirements of the Commission's recently proposed rule?
19. If FPL does not purchase all the energy from these solar facilities in Naples, why should the related kW's be counted toward Green Mountain's commitment to provide 150 kW per 10,000 participating customers?
20. How much financial support does Green Mountain provide to the developer for each solar system placed on a home in the Naples project? Please provide information on financial support for both the initial purchase of the photovoltaic system and TREC purchases. Are any contributions made by Green Mountain reflected in the price of each home?
21. The terms and conditions of FPL's Sun Funds program indicate that participating solar system owners cannot sell environmental attributes associated with the solar systems to a third party for 5 years. In the interim period, who has ownership of the TRECs? Are solar owners compensated for the TRECs under the Sunshine Energy program?
22. Please refer to Staff data request no. 21, above. If the Commission's proposed net metering and interconnection rule becomes final in its present form, will customers that receive incentives under the Sun Funds program be allowed to own any renewable energy credits? If not, how is this consistent with the requirement under the proposed rule for owners of renewable systems to retain ownership of credits?
23. Will the energy produced by the solar systems that receive Sun Fund incentives be net metered? If not, please explain. Assume that the Commission's recently proposed interconnection and net metering rule becomes final in its current form. If so, will the compensation solar system owners receive for this energy be consistent with the net metering requirements of the Commission's recently proposed rule?

24. Please explain how the treatment of the energy produced by solar systems placed on homes as a result of the Sunshine Energy program is consistent with the requirements of Section 18.1(1)(i) of FPL's contract with Green Mountain. Please indicate and explain any differences in the treatment of energy produced by systems in the Naples project compared to the Sun Funds project.
25. Is the requirement of Section 18.1(1)(i) of FPL's contract with Green Mountain regarding the purchase of energy from solar systems consistent with the requirements of the Commission's recently proposed rule on net metering, assuming the rule becomes final in its present form?
26. The rebates associated with the Sun Funds program of \$1.50 per watt represent a fraction of the total cost of a solar installation. Therefore, why should related kW's be counted toward Green Mountain's commitment to provide 150 kW of solar capacity per 10,000 participating customers? Is it appropriate to count these systems towards Green Mountain's solar commitment, if the system's also receive a state rebate of \$4 per watt?
27. Please provide a copy of any contract or contract amendment between any FPL Group company and any other party regarding the FPL Sunshine Energy Sun Funds Residential Solar Energy Incentive Program.
28. Please provide a copy of any contract between Green Mountain and any other party regarding the FPL Sunshine Energy Sun Funds Residential Solar Energy Incentive Program.
29. Does FPL administer the FPL Sunshine Energy Sun Funds Residential Solar Energy Incentive Program? If not, what party administers the program?
30. What is the source of funds for the incentive payments in the FPL Sunshine Energy Sun Funds Residential Solar Energy Incentive Program? Please indicate whether the funds are provided from the Sunshine Energy payments made to Green Mountain or from FPL's administrative charge.
31. What is the source of funds for the administration of the FPL Sunshine Energy Sun Funds Residential Solar Energy Incentive Program? Please indicate whether the funds are provided from the Sunshine Energy payments made to Green Mountain or from FPL's administrative charge.
32. What is the source of funds for the marketing of the FPL Sunshine Energy Sun Funds Residential Solar Energy Incentive Program? Please indicate whether the funds are provided from the Sunshine Energy payments made to Green Mountain or from FPL's administrative charge.
33. Please explain whether a participant in the FPL Sunshine Energy Sun Funds Residential Solar Energy Incentive Program is required to receive a rebate from the Department of Environmental Protection in order to receive an incentive payment under the Sun Funds program?

34. Please provide current information on the incentive payments made under the FPL Sunshine Energy Sun Funds Residential Solar Energy Incentive Program, including the total number of applicants, total number of incentive payments, and total amount of incentive payments. For each applicant, please provide the size of the system and the amount of incentive payment.
35. Please discuss why the Sun Funds program expires in April 2008. Will FPL and/or Green Mountain consider extending the deadline for the program if incentives have not yet been issued for solar systems with a total capacity of 100 kW?
36. Please provide the number of solar thermal projects that have received funding under the Sunshine Energy Program.
37. Have any solar thermal projects been reviewed for funding under the Sunshine Energy Program? If not, explain why?
38. Under the Sunshine Energy Program contract, is Green Mountain precluded from constructing solar thermal projects?
39. Please refer to Section 13.1 of FPL's contract with Green Mountain. Has FPL or Green Mountain collected any information on customer satisfaction with the Sunshine Energy program? If so, please provide a copy of all documentation. If not, please explain.
40. Please refer to Sections 14.3 and 15.4 of FPL's contract with Green Mountain. Please describe FPL's or Green Mountain's efforts to determine the reasons for customer attrition from the Sunshine Energy program, and provide any available information on reasons for customer attrition from the Sunshine Energy program.
41. Please refer to Section 17 of FPL's contract with Green Mountain. How much flexibility does FPL have to develop renewable energy programs outside the Sunshine Energy program? For example, would FPL be precluded from developing its own solar thermal water heater rebate program?
42. Given the provisions in Section 17 of FPL's contract with Green Mountain, how could FPL expand its renewable energy offerings to its residential customers? Would FPL be required to renegotiate its contract with Green Mountain to expand the Sunshine Energy program?
43. Please refer to Section 15.3 of FPL's contract with Green Mountain. Discuss any obligation Green Mountain has to purchase solar green tags from FPL. To date, has Green Mountain purchased any green tags (solar or wind) from FPL or its affiliates? If so, were these green tags used to meet Green Mountain's obligation under the Sunshine Energy program?
44. Please refer to definition 1.56 in FPL's contract with Green Mountain. Is Green Mountain required to provide financial support to a solar project in order to meet this standard? If so, how does FPL determine that this solar financial support is sufficient to meet the standard in definition 1.56? How does FPL ensure that these solar resources would not have otherwise been built in the absence of Green Mountain's efforts and/or financial support?

Wade Litchfield, Esquire

February 15, 2008

Page 6

45. Please refer to Section 18.1 of FPL's contract with Green Mountain. Given the requirements of this section, and the fact that the Sunshine Energy program reached 30,000 participants in February 2007, please discuss the status of the solar installations by Green Mountain. When does Green Mountain expect to achieve solar installations totaling 450 kW of capacity? Please list the solar installations and capacity of each installation included in this total. Please provide an expected in-service date for those systems not yet installed.
46. Please refer to Section 13.1 of FPL's contract with Green Mountain. Have the new customer enrollment parameters discussed in that section been met? If not, what discussions have FPL and Green Mountain had pursuant to this section? If no discussions have been conducted, why not?
47. Who is FPL's contract manager with respect to FPL's contract with Green Mountain? Who is FPL's program manager for the Sunshine Energy Program? Does FPL have a separate program manager for FPL's Sunshine Energy Sun Funds Residential Solar Energy Incentive Program, and if so, who are they?
48. With respect to FPL's contract with Green Mountain, please identify the following dates: (a) the start date of the contract; (b) the date or dates the contract was signed, and (c) the effective date of the contract.

Time is of the essence in order to allow sufficient time for staff to analyze the data requested. Therefore, I request that responses to the above questions be provided, on an expedited basis, by February 29, 2008. I also request that the responses be provided on an earlier, piecemeal basis, to the extent possible. If you have any questions, please do not hesitate to contact me at (850) 413-6228, Ms. Judy Harlow at (850) 413-6842, or Mr. Mark Futrell at (850) 413-6692.

Sincerely,



Jennifer Brubaker
Attorney Supervisor

JSB/tfw

cc: Florida Power & Light Company (Natalie Smith)
Office of Public Counsel (J. R. Kelly)
Division of Economic Regulation (Devlin, Futrell, Harlow, Montford, Trapp)
Office of General Counsel (Fleming, Hartman)
Office of Commission Clerk