

Collin Roehner

From: Janet Brunson
Sent: Tuesday, March 21, 2017 1:51 PM
To: 'Send2bill@aol.com'
Cc: Consumer Correspondence
Subject: Docket No. 160186-EI - Gulf Power Rate Increase

Dear Mr. Calfee:

Thank you for contacting the Florida Public Service Commission (PSC) about Gulf Power Company's (Gulf) rate increase petition. Your correspondence is included in Gulf's rate case docket file (No. 160186-EI) to give Commissioners and staff an opportunity to review and understand your concerns.

Gulf's technical hearing before the PSC was scheduled for March 20-24, 2017, in Tallahassee. At the hearing's start on March 20, Gulf announced a settlement agreement with the Office of Public Counsel, which represents consumers before the PSC. No other party to the case objected to the proposed settlement agreement that will be considered by the Florida Public Service Commission on April 4.

Commissioners are charged with making sure that Florida's utility companies fulfill their service obligation. In its petition, Gulf based its request on several factors, including transmission projects and replacing and repairing infrastructure. The PSC will ensure that customer rates proposed in the settlement agreement are in the best public interest and reflect only those costs that are prudent and necessary for Gulf to deliver quality electric service.

You can find Gulf rate case information on the PSC's website, www.FloridaPSC.com. Access the Clerk's Office tab, then hit Dockets and type in Docket No. 160186. All case submissions can be found in the Documents Filing Index. If you have additional questions or need further assistance, please call PSC Consumer Assistance at 1-800-342-3552.

Sincerely,

Bev DeMello
Assistant Director

Contact Information:

Name: Bill Calfee

Company: Gulf Power Crist Plant retiree Primary Phone: (850) 501-1125 Secondary Phone: (850) 501-1125

Email: Send2bill@aol.com

Response requested? No

CC Sent? Yes

Comments:

RE: Docket 160186

I'm against Gulf Power (GP) raising base rates 167% to \$48/month. My electric bill last month was \$66 on a 2,000 sq. ft. house and what incentive do I have to keep doing energy upgrades, including adding to my existing solar panels? Solar

panel output adds value to GP in several ways and does NOT add to their overall grid cost: GP's major reason is that non-solar customers will have to subsidize other solar customers to maintain the grid which, IS NOT so.

Consider:

(1) Solar reduces GP's "avoided cost." Avoided cost is the cost the utility would have incurred had it supplied the power itself or obtained it from another source. The most expensive power for GP to generate is during the summer months at which time solar customers are providing energy to the grid to reduce overall grid demand. Consider: A review of 11 net metering studies by Environment America Research and Policy Center has found, "...that distributed solar offers net benefits to the entire electric grid through reduced capital investment costs, avoided energy costs, and reduced environmental compliance costs. Eight of the 11 studies found the value of solar energy to be higher than the average local residential retail electricity rate: The median value of solar power across all 11 studies was nearly 17 cents per unit, compared to the nation's average retail electricity rate of about 12 cents per unit." Other studies have valued solar energy at 33 cents per unit.

(2) While calculating the "value of solar" is complex and location-dependent, a "value of solar" approach would credit solar owners for (a) avoiding the purchase of energy from other, polluting sources; (b) avoiding the need to build additional power plant capacity to meet peak energy needs; (c) providing energy for decades at a fixed price; and (d) reducing wear and tear (cycling magnitudes) on the electric grid.

(3) If you have three cars and one gets 10 mpg and the others get 20+ mpg, you're going to use the most efficient one's first. Electrical generators are dispatched in order of lower cost first, to meet load. The dispatch considers many parameters, including fuel cost, power plant efficiency, plant availability, power plant startup times, and environmental restrictions. During the peak loads in the summer months, GP has to use all the cars (including inefficient generators) to meet high-load summertime demands. Summer loads become the most expensive power to produce, hence their "Good Cents Select" type incentive programs to get customers to use their power during "off-peak" (evenings and nights) load times. During peak loads, GP has to periodically buy expensive power from other utilities to meet this high customer demand. Solar customers mitigate demand, add stability, and helps GP avoid high cost during these peak load demands.

Wouldn't these higher minimum rates discourage moving to GP's service area and ultimately reduce GP's overall customer base? Currently, according to GP, their customer base is increasing, but the overall energy demand from each customer is declining, due to an increase in personal conservation, government incentives, and energy efficient appliances.

In conclusion, solar customers reduce GP's overall cost and DO NOT cause non-solar customers to have to pay more to support the electrical grid, as GP suggest. GP should reconsider raising rates to \$48/mo. based on these arguments.

Thanks for your consideration.