

1 P R O C E E D I N G S

2 CHAIRMAN GRAHAM: Okay. On to Item No. 19 --
3 12, I am sorry, 12. I forgot that somebody pulled
4 12 off last minute.

5 COMMISSIONER POLMANN: Mr. Chairman, with
6 regard to 19, is it possible you can take a break
7 before we take that up?

8 COMMISSIONER GRAHAM: We are on 12 right now.

9 COMMISSIONER POLMANN: I understand. I am
10 just saying after 12, can we take a break?

11 CHAIRMAN GRAHAM: Sure.

12 COMMISSIONER POLMANN: I have got questions
13 from my staff I would like to review.

14 CHAIRMAN GRAHAM: Item No. 12.

15 MR. MORGAN: Good morning, Commissioners.
16 Charles Morgan with Commission staff.

17 Item 12 is Tampa Electric Company's petition
18 for --

19 CHAIRMAN GRAHAM: Mr. Morgan, can I get you to
20 pull that mic down a little bit?

21 MR. MORGAN: Item 12 is Tampa Electric
22 Company's petition for a creation of an optional
23 shared solar tariff. The company is seeking a
24 tariff as an option for customers who may not
25 otherwise invest in solar energy.

1 Participating customers would pay 6.3 cents
2 per kilowatt hour for energy produced by a 17.5
3 megawatt portion of the Lake Hancock Solar project.
4 These customers would be excluded from paying the
5 fuel clause charges for the portion of their energy
6 subscribed under the tariff.

7 CHAIRMAN GRAHAM: Mr. Morgan. Pull that down
8 again. For some reason you are not coming through
9 clear, and start over, please. I just want to make
10 sure our court reporter has got all of this.

11 COMMISSIONER POLMANN: Point that up. Put the
12 microphone up.

13 MR. MORGAN: The tariff offers a practical
14 option for customers who desire to invest in solar
15 energy at a reasonable rate and has no impact on
16 nonparticipants.

17 Staff is not aware of any customer
18 correspondence regarding this document and
19 recommends approval of this petition.

20 As the tariff is a new concept, staff also
21 recommends that the company file reports in the
22 first three years in order to discern customer
23 acceptance.

24 Staff and company representatives are
25 available to answer any questions.

1 CHAIRMAN GRAHAM: Mr. Rehwinkel, can you hear
2 him back there?

3 MR. REHWINKEL: No.

4 CHAIRMAN GRAHAM: Let's try this one more
5 time. From the beginning, please.

6 COMMISSIONER FAY: Mr. Chairman, can I --
7 maybe he points the mic up to his face, maybe,
8 yeah. Thank you.

9 MR. MORGAN: All right. So Item 12 is Tampa
10 Electric Company's petition for creation of an
11 optional shared solar tariff. The company is
12 seeking the tariff as an option for customers who
13 may not otherwise invest in solar energy.

14 Participating customers would pay 6.3 cents
15 per kilowatt hour for energy produced by a 17.5
16 megawatt portion of the Lake Hancock Solar project.
17 These customers would be excluded from paying fuel
18 clause charges for the portion of their energy
19 subscribed under the tariff.

20 The tariff offers a practical option for
21 customers who desire to invest in solar energy at a
22 reasonable rate, and has no impact on
23 nonparticipants.

24 Staff is not aware of any customer
25 correspondence regarding this docket and recommends

1 approval of this petition.

2 As the tariff is a new concept, staff also
3 recommends that the company file reports in the
4 first three years in order to discern customer
5 acceptance.

6 Staff and company representatives are
7 available to answer any questions.

8 CHAIRMAN GRAHAM: Thank you, Mr. Morgan.
9 Ms. Christensen, any --

10 MS. CHRISTENSEN: No. We are here to support
11 staff's recommendation and to answer any questions
12 that may be presented.

13 CHAIRMAN GRAHAM: Okay. TECO.

14 MR. BEASLEY: Thank you, Commissioner. Jim
15 Beasley for Tampa Electric. With me is Mr. William
16 Ashburn from Tampa Electric.

17 We also support the staff's recommendation and
18 thank them for their consideration of our petition.
19 We believe this opportunity will provide solar to
20 those, particularly those who can't otherwise avail
21 themselves of it, and we would urge your approval
22 of the staff recommendation, and would be happy to
23 answer any questions you have.

24 CHAIRMAN GRAHAM: Okay. Commissioner Brown.

25 COMMISSIONER BROWN: Thank you.

1 And thank you, TECO, for being here today.

2 Mr. Ashburn, this is such a creative program,
3 the first of its kind in the country?

4 MR. ASHBURN: I wouldn't say this is the first
5 of its kind in the country. It's --

6 COMMISSIONER BROWN: Let's just say our state.

7 MR. ASHBURN: Well, I will say this, we -- we
8 learned a lot from other similar programs in the
9 state. In fact, one of the ones that gave us a lot
10 of insight was Tallahassee's comparable program,
11 and so we learned a little bit from that. But it's
12 certainly the first one of this type for the IOUs.

13 COMMISSIONER BROWN: Now, is Tallahassee's
14 program fully subscribed?

15 MR. ASHBURN: They have been very successful
16 in their program. They went -- the first tranche
17 was about, I don't know, five or 10 megawatts, and
18 sold it out pretty quickly, and they, I think, are
19 on their second solar array that they are selling
20 out. Yes.

21 COMMISSIONER BROWN: So I am just curious, I
22 didn't want to miss an opportunity to ask you
23 questions about how it was developed --

24 MR. ASHBURN: Sure.

25 COMMISSIONER BROWN: -- and what you expect,

1 because it is really unique where customers can set
2 a fixed rate rather than a variable rate on a
3 portion of their bills utilizing this tariff.

4 MR. ASHBURN: Well, we did some surveying a
5 year or so ago, and got a very positive response to
6 this sort of a concept. And the concept is that,
7 as was mentioned by Mr. Beasley, an awful lot of
8 our customers don't have roofs. They live in
9 apartments, or condos, or somewhere that they have
10 shady trees over their house, and so it's something
11 like 25 or 30 percent of our homeowners can avail
12 themselves of solar if they so chose, but
13 75 percent basically can't. So this gives those
14 customers, in particular, an opportunity to buy
15 solar and not have to worry about having to buy a
16 new house to put it on if they want their own.

17 It is -- it does give them some flexibility in
18 that they can secure this rate, and it's sort of
19 fixed for the period of time that they can stay on
20 it. But they don't have to stay on it forever.
21 It's on or off.

22 We have a lot of churn in our territory as
23 well. People sometimes are only customers of ours
24 for, you know, half a year, a couple of years.
25 They are renters. They are going to school,

1 whatever, and so there is a lot of churn, and these
2 people can now not worry about having to go buy
3 some long-term investment in solar and can
4 participate in this program. So we think it's
5 exciting.

6 COMMISSIONER BROWN: I think it's exciting,
7 too.

8 How much notice does a customer have to give
9 under the tariff to get on?

10 MR. ASHBURN: Well, you have choices. If you
11 are a residential consumer, you can choose up to --
12 you can choose 25 percent of your bill, 50 percent
13 or 100 percent of your energy usage under the
14 program.

15 If you are a commercial customer, larger
16 customers, we are selling it in a thousand kilowatt
17 wad blocks, particularly because some commercial or
18 industrial customers have a lot of seasonality in
19 their bill and we want it to, you know, be more
20 flexible for them as well.

21 COMMISSIONER BROWN: Are you going to
22 advertise this?

23 MR. ASHBURN: Yes. Yes. We are working on
24 the advertisement as we speak. I think as soon as
25 we finish with this vote, we are going to be

1 starting to do some outreach to customers to say,
2 hey, this is coming soon, kind of thing. And we
3 are planning to start signing customers up as soon
4 as the final order is passed sometime in June.

5 COMMISSIONER BROWN: I'm excited about it, and
6 you should be commended for developing it, and so
7 with that, I would support the recommendation at
8 the right time.

9 MR. ASHBURN: Thank you.

10 COMMISSIONER GRAHAM: Commissioner Clark.

11 COMMISSIONER CLARK: Thank you, Mr. Chairman.

12 Again, I just want to echo Commissioner
13 Brown's comments. It's a commendable program. I
14 was very impressed.

15 So you haven't done any test marketing,
16 though? You haven't done any surveying to see what
17 your potential is?

18 MR. ASHBURN: We have done a lot of surveying.
19 We did substantial surveying. We surveyed, like,
20 25,000 of our customers back over a year ago, and
21 had -- and tested these types of ways to sell the
22 solar and got a very positive response. A very
23 high percentage of customers said that they were
24 interested in the way this is designed.

25 COMMISSIONER CLARK: At the incremental cost

1 difference they were --

2 MR. ASHBURN: We showed them different cost
3 differences, and this six cents is in the range of
4 what we talked about. We were hoping to make it
5 lower, but this is where it came out.

6 COMMISSIONER CLARK: So my -- I guess my
7 question is a little bit more of a technical
8 question regarding coming on and off of the
9 program, and the ability to.

10 It seems like -- I think I could figure out a
11 way to kind of hedge against gas prices increasing
12 using this program, is that a fair statement? Do
13 you -- am I saying that -- I shouldn't say that to
14 let your customers know that or --

15 MR. ASHBURN: Well, we will be informing
16 customers about how the program works, but not
17 charging you for fuel is certainly one of the
18 better hedges you could go and get, right?

19 COMMISSIONER CLARK: Right.

20 MR. ASHBURN: So the tradeoff here is that you
21 are paying the price for owning or using the solar
22 facilities that we are building, but you get zero
23 full costs. So as fuel costs become volatile, go
24 up, or down, or whatever, you are hedged against it
25 because you are not paying for them.

1 COMMISSIONER CLARK: Okay. And your customers
2 are aware of that, I guess, now.

3 MR. ASHBURN: It's very well -- we are very
4 well tested this, and it's going to be very well
5 explained to them about what they are buying into
6 here.

7 And the concept of being able to get on and
8 off is something, that's not normal for us,
9 utilities. We like people hooked up for 12 months
10 or a couple of years to kind of support it. We
11 think there is so much support for this, and so
12 many customers who want to do it, that as people
13 have to leave, or leave their apartments, or, you
14 know, move, or whatever, I think we will have
15 plenty of people wanting to get on. And when they
16 weren't aren't, the solar is still available for
17 all the other ratepayers to support their needs, so
18 it works out.

19 COMMISSIONER CLARK: Good program.

20 MR. ASHBURN: Thank you.

21 CHAIRMAN GRAHAM: Was that a motion?

22 COMMISSIONER CLARK: That's a motion.

23 COMMISSIONER BROWN: Second.

24 CHAIRMAN GRAHAM: It's been moved and second
25 staff recommendation on Item No. 12.

1 Any further discussion?

2 Seeing none, all in favor say aye.

3 (Chorus of ayes.)

4 CHAIRMAN GRAHAM: Any opposed?

5 (No response.)

6 CHAIRMAN GRAHAM: By your action, you have
7 approved the staff rec on Item No. 12.

8 I was asked for a -- to take a five-minute
9 break before we take up Item No. 19. So we will
10 take a five-minute break. Just watch the sand in
11 the hour glass.

12 (Agenda item concluded.)

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CERTIFICATE OF REPORTER

STATE OF FLORIDA)
COUNTY OF LEON)

I, DEBRA KRICK, Court Reporter, do hereby certify that the foregoing proceeding was heard at the time and place herein stated.

IT IS FURTHER CERTIFIED that I stenographically reported the said proceedings; that the same has been transcribed under my direct supervision; and that this transcript constitutes a true transcription of my notes of said proceedings.

I FURTHER CERTIFY that I am not a relative, employee, attorney or counsel of any of the parties, nor am I a relative or employee of any of the parties' attorney or counsel connected with the action, nor am I financially interested in the action.

DATED this 22nd day of May, 2019.



DEBRA R. KRICK
NOTARY PUBLIC
COMMISSION #GG015952
EXPIRES JULY 27, 2020