### **Antonia Hover**

From: Suzanne Brownless
Sent: Tuesday, July 02, 2019 12:28 PM
To: Adam Teitzman
Cc: Jennifer Crawford
Subject: FW: FPL ongoing issues
Importance: High

Adam: I am forwarding this on to you for inclusion on the correspondence side of Docket No. 20180049-EI, FPL storm docket. If I need to do anything else to put this in the docket, please let me know. Thanks, Suzanne

Suzanne Brownless Senior Attorney Florida Public Service Commission 2540 Shumard Oak Blvd. Tallahassee, Florida 32399-0850 Phone: (850) 413-6218 FAX: (850) 413-6219 Email: <u>sbrownle@psc.state.fl.us</u>

From: Beatrice Balboa [mailto:beatricebalboa@gmail.com] Sent: Sunday, June 30, 2019 3:00 PM To: Suzanne Brownless Subject: Fwd: FPL ongoing issues

I noted additional issues with FPL (attached documentation). Please continue to keep an extremely close eye regarding FPL machinations with these issues as FPL ratepayers should NOT be "footing the bill" on FPL and/or NextEra out-of-state investment strategies, solar power "monopolization" and "pollution" activities. FPL should be devoting all their energies in meeting and/or exceeding the 2017 National Electrical Safety Code® (NESC®) standards (which sets the ground rules and guidelines for practical safeguarding of utility workers and the public during the installation, operation, and maintenance of electric supply, communication lines and associated equipment) for storm hardening of the State of Florida electrical infrastructure. FPL should NOT be devoting all their energies requesting and lobbying for more storm hardening fees and rate increases that should have already been completed after both Hurricane Andrew (1992) and Hurricane Irma (2017).

I look forward to your offices taking the necessary actions to address hardworking taxpayers citizens' concerns from the City of Pompano Beach, Broward County, State of Florida. Thank you for your time in this matter.

Sincerely, Beatrice Balboa 1010 South Ocean Boulevard, Unit. 1008 Pompano Beach, Fl 33062-6631

# Miami Herald

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BUSINESS

## Proposed ballot measure would limit the role of Florida utilities in power business

BY JIM SAUNDERS NEWS SERVICE OF FLORIDA

JUNE 24, 2019 04:49 PM, UPDATED JUNE 25, 2019 09:11 AM





Florida's big utility companies oppose a proposed constitutional amendment that would take them out of the business of generating and selling power and limit them to building and operating electrical transmission and distribution systems. *PALM BEACH POST* 

State leaders and powerful business groups are trying to kill a proposed constitutional amendment that would lead to major changes in the way Floridians get electricity.

Opponents, including Attorney General Ashley Moody, legislative leaders, business groups and utilities, filed 13 briefs late last week at the Florida Supreme Court arguing that the proposal should be blocked from going on the November 2020 ballot.

The briefs were the latest batch of arguments about the proposal, which would uproot the longestablished regulatory structure that leads to residents and businesses in much of the state receiving electricity from four utilities: Florida Power & Light, Duke Energy Florida, Tampa Electric Co. and Gulf Power.

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The proposal, backed by a political committee known as Citizens for Energy Choices, calls for creating "competitive" electricity markets in which customers would have the right to choose electricity providers or to produce their own power. Supporters, including companies that want to supply electricity in Florida, point to a similar structure that Texas has used for nearly two decades.

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But the opponents contend that the measure should never reach the ballot because it violates legal standards for citizens' initiatives, such as tying together multiple subjects in a proposed constitutional amendment. A brief filed Friday by the Senate alleged that the initiative includes a "Frankenstein's Monster of policies."

In part, those arguments stem from the effects of the proposed amendment on FPL, Duke, Tampa Electric and Gulf Power, which are known in the industry as investor-owned utilities, or IOUs. The amendment would limit the companies to building, operating and repairing electrical transmission and distribution systems, a far-smaller role than they now play in generating, transmitting and selling power.

"(The) initiative encompasses at least two very disparate subjects — purportedly promoting 'competition' in a restructured energy marketplace while at the same time eliminating IOUs from competing in that marketplace," said a brief filed Friday by the Florida Chamber of Commerce and the Florida Economic Development Council.

But Citizens for Energy Choices, in a brief filed last month, disputed that the proposal violates legal standards for going on the ballot. It also said allowing the four major private utilities to

wield their enormous, entrenched power as competitors in a restructured market is antimetical to competitive electricity markets. It pointed to Texas, where it said utilities changed their corporate structures to separate generating electricity from transmitting it.

"The amendment presents what the proponents believe to be the only method of achieving a fully competitive wholesale and retail electricity market affording meaningful choices among a wide variety of competing electricity providers in Florida, and that includes divestiture of the IOUs' generation and sales components of the ... monopolies the IOUs have long enjoyed," the Citizens for Energy Choices brief said. "The voters are free to accept or reject that proposal."

The Supreme Court plays a gatekeeper role in deciding whether citizens' initiatives go before voters. Justices are not supposed to weigh the merits of proposed constitutional amendments but look at issues such as whether the proposals involve single subjects and whether ballot titles and summaries — the wording that voters see — are misleading.

The court is scheduled to hear arguments on the Citizens for Energy Choices initiative Aug 28. If justices sign off, Citizens for Energy Choices appears to have a decent chance of getting on the ballot. As of Monday afternoon, it had submitted 325,445 valid petition signatures to the state and would need to submit a total of 766,200 to be able to go before voters.

Opposition to the measure has come from some of the most influential players in the Capitol, including Moody, House and Senate leaders, the Florida Chamber of Commerce, Associated Industries of Florida, the Florida Hospital Association and the Florida Health Care Association. Also filing or signing onto briefs have been FPL, Duke Energy, Tampa Electric, Gulf Power, the Florida Electric Cooperatives Association, the Florida Municipal Electric Association and the Florida Public Service Commission, which regulates utilities.

Supporters of the proposal have included Infinite Energy, Inc., NRG Energy, Inc., and Vistra Energy Corp. Citizens for Energy Choices had raised and spent nearly \$2.7 million as of May 31, a finance report shows.

In the brief last month, Citizens for Energy Choices pointed to the "enormous clout" and political contributions of FPL, Duke Energy, Tampa Electric and Gulf Power.

"The IOUs' expenditures not only underscore their astounding influence, they poignantly demonstrate why the ballot initiative process is the only means by which a restructuring of the energy market can be achieved," the brief said.

But the Senate brief Friday fired back about the motives of the political committee.

"Contrary to the image of regular citizens trying to change the way they are governed, this is a well-heeled special interest group trying to advance a policy change that would benefit their

industry, the senate orier said. The (supreme) Court should be skeptical of commercial interests attempting to use the citizen initiative process to benefit themselves."



Matt Raffenberg, FPL's environmental services director, talks about how FPL is working on ways to better control water temperature and salinity in the 39 cooling canals at the Turkey Point power plant in 2016

By Emily Michot

### FROM OUR ADVERTISING PARTNERS







BRIEF

# Florida mandates 10-year storm protection plans for utilities, sparking cost concerns

By Robert Walton Published June 28, 2019

### **Dive Brief:**

- Republican Florida Gov. Ron DeSantis on Thursday signed Senate Bill 796 requiring the state's investor-owned utilities to file storm protection plans while also making it easier for them to charge ratepayers to bury power lines.
- The state has been working to strengthen its grid in the wake of large hurricanes that have left millions without power in recent years. The new law requires plans that look 10 years into the future and are updated every three years.
- The law allows a separate charge, outside of a utility's base rates, to pay for undergrounding power lines each year.

Opponents of the law, like AARP, say it will raise customer bills.

### **Dive Insight:**

According to local media, staff of the Florida Public Service Commission and representatives from investor-owned utilities had already met this week, in anticipation of DeSantis signing the bill, to begin developing a process to charge customers for undergrounding lines.

Utilities in the Sunshine State have made significant progress since Hurricane Wilma hit in 2005, when it took more than two weeks to restore power to 95% of Florida Power & Light customers. When Hurricane Irma hit in 2017, affecting more than 4.4 million customers, it took the utility less than a week to reach that recovery milestone.

Storms have cost Florida utilities hundreds of millions, in recent years.

In April, Duke Energy Florida and Tampa Electric Co. reached separate settlements with the Florida Office of Public Counsel, agreeing to set aside savings from the 2017 federal tax cut to pay for costs associated with Hurricane Irma in 2017. Duke's settlement included \$484 million in costs, while Tampa Electric's included \$91 million.

Undergrounding power lines is one way to improve system resilience, but it's expensive. The Florida Industrial Power Users Group opposed the bill as well, and in April told Orlando Weekly it creates a "one-way financial street" outside of base rates, leading to higher bills. According to a summary of the legislation, annual transmission and distribution storm protection plan costs "may not include costs recovered through the public utility's base rates and must be allocated to customer classes pursuant to the rate design most recently approved by the commission."

The law requires the Florida Public Service Commission to adopt implementation rules as soon as possible, but no later than October 31.

### **Recommended Reading:**

Image: Second second

# Electric utility companies work to improve energy grid during hurricane season

Jocelyn Grzeszczak, Naples Daily News Published 11:43 a.m. ET June 29, 2019

Electric utility companies Florida Power & Light and Lee County Electric Cooperative have been making improvements in customers' service reliability to prepare for the 2019 hurricane season.

Both companies, which together serve much of Southwest Florida, have placed significant focus on strengthening power lines and poles, trimming trees near power lines and installing smart technology along the energy grid, according to press releases from FPL and LCEC.

"Our ongoing investments in strengthening the grid and using advanced smart grid technology continue to help us deliver electricity our customers can count on in good weather and bad," said Eric Silagy, president and CEO of FPL.

More: Tips to get by without power and water (/story/weather/hurricane/2019/06/01/hurricane-2019-tips-get-without-power-and-water/1315358001/)



sy of LCEC Archives)

Naples and Bonita Springs will be impacted by FPL's initiatives. Between the two areas, eight main power lines will be strengthened, 437 miles of power lines will be cleared of tree branches and vegetation, and 5,813 power poles that no longer meet FPL's standards will be inspected, according to the FPL press release.

The improvements look similar for LCEC, which serves five counties, including parts of Lee and Collier. Like FPL, a vegetation management program aims to clear tree branches from areas of utility use. In addition to the physical inspections of poles and wires, LCEC has made upgrades to their facilities and added two power substations, the LCEC press release stated.

"The electric grid serving five counties throughout Southwest Florida has proven to stand up against the strongest of hurricanes and remain reliable yearround," said Dennie Hamilton, president and CEO of LCEC.



A power line is damaged during Hurricane Irma. (Photo: Courtesy of LCEC Archives)

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After learning valuable lessons in 2017 from Hurricane Irma — a storm that was believed to have caused the largest hurricane evacuation in U.S. history — LCEC has worked to improve their social media resources and coordination of tree-trimming crews, as well as provide lodging for out-of-town crews when needed, according to the press release.

For FPL, Irma inspired a three-year pilot program, the Storm Secure Underground Program. The program is focused on areas that experienced power outages during Irma and Matthew.

It aims to find less expensive ways to bury neighborhood power lines, which are less likely to be impacted during severe weather, the FPL press release stated.

"We'll be studying (the pilot program) to determine how under-grounding benefits our system in day-to-day operations as well as in severe weather," said Marie Bertot, an FPL spokeswoman.

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### FLORIDA [#]

## Hearing sought on major FPL solar plan

By The News Service of Florida

Posted: 5:20 PM, June 27, 2019 Updated: 5:20 PM, June 27, 2019

**TALLAHASSEE**, **Fla.** - Pointing to the "extraordinary size of the program," the state Office of Public Counsel is asking regulators to hold a detailed hearing about a Florida Power & Light proposal that includes adding 20 solar-power plants.

The Office of Public Counsel, which represents consumers in utility issues, filed a request Tuesday for the Public Service Commission to hold a hearing on FPL's "SolarTogether" plan.

### **MORE HEADLINES**

FPL seeks approval for major solar program [/news/florida/fpl-seeks-approval-for-major-solar-pr...

FPL unveils Columbia County's 1st solar power plant [/news/fpl-unveils-columbia-countys-1st-sol...

FPL plans major solar expansion by 2030 [/news/florida/fpl-plans-major-solar-expansion-by-2030]

The request said commission staff members are slated to make a recommendation July 25 about FPL's plan but that a full administrative hearing should be held.

The request pointed to the size of the proposed program and complex engineering and financial issues and said issues raised "have generated concern and interest from numerous persons and entities across Florida. Finally, approval of the program in the form proposed in the (FPL) petition has the potential to set new precedent for the regulatory oversight of electric utilities in the state."

FPL, which has moved quickly in recent years to expand its use of solar energy, filed a petition March 13 seeking approval of the program from the Public Service Commission.

The proposal, at least initially, seeks to build 20 solar plants that would generate 1,490 megawatts of electricity, with a projected cost of \$1.79 billion, according to the petition.

The filing said FPL projects long-term savings of \$139 million because the increased use of solar would allow it to avoid costs related to natural-gas or other types of power plants.

Customers would be able to voluntarily participate in SolarTogether, paying a charge each month and receiving credits for savings produced by the program.

"The company has developed FPL SolarTogether as a cost-effective opportunity for customers to directly support the expansion of solar power without the need to install solar on their rooftop," the filing said. "Through FPL SolarTogether, customers will have the option to subscribe to kilowatts of solar capacity from dedicated cost-effective 74.5-megawatt solar power plants built for this program. Participating customers' monthly bills will include the cost of their subscribed capacity and credits that reflect the system savings generated by their subscribed capacity."

News Service of Florida

### THE FLORIDA SENATE **2019 SUMMARY OF LEGISLATION PASSED Committee on Innovation, Industry, And Technology**

### CS/CS/CS/SB 796 — Public Utility Storm Protection Plans

by Appropriations Committee; Infrastructure and Security Committee; Innovation, Industry, and Technology Committee; and Senators Gruters, Bracy, Montford, and Broxson

The bill requires each public utility to file, pursuant to Florida Public Service Commission (commission) rule, a transmission and distribution storm protection plan that covers the immediate 10-year planning period. Each plan must explain the systematic approach the utility will follow to achieve the objectives of reducing restoration costs and outage times associated with extreme weather events and enhancing reliability. The commission is required to adopt rules to specify the elements that must be included in a utility's filing.

In reviewing a proposed transmission and distribution storm protection plan, the commission must consider the following:

- The extent to which the plan is expected to reduce restoration costs and outage times • associated with extreme weather events and enhance reliability, including whether the plan prioritizes areas of lower reliability performance;
- The extent to which storm protection of transmission and distribution infrastructure is • feasible, reasonable, or practical in certain areas of the utility's service territory, including, but not limited to, flood zones and rural areas;
- The estimated costs and benefits to the utility and its customers of making the ٠ improvements proposed in the plan; and
- The estimated annual rate impact resulting from implementation of the plan during the • first 3 years addressed in the plan.

If a utility-filed proposed plan contains all the elements required by commission rule, the commission must determine whether it is in the public interest to approve, approve with modification, or deny the proposed plan no later than 180 days after the utility filing of the plan.

At least every 3 years after approval of a utility's plan, the utility must file for commission review an updated protection plan that addresses each element specified by commission rule. The commission must approve, modify and approve, or deny each updated plan pursuant to the criteria used for the initial plan.

The commission is required to conduct an annual proceeding to determine the utility's prudently incurred plan costs and allow the utility to recover such costs through a charge separate and apart from its base rates, to be referred to as the storm protection plan cost recovery clause. After commission approval of a utility's plan, proceeding with actions to implement the plan is not evidence of imprudence. If the commission determines that costs were prudently incurred, those costs will not be subject to disallowance or further prudence review except for fraud, perjury, or intentional withholding of key information by the public utility.

The annual transmission and distribution storm protection plan costs may not include costs recovered through the public utility's base rates and must be allocated to customer classes pursuant to the rate design most recently approved by the commission.

If a capital expenditure is recoverable as a plan cost, the public utility may recover the annual depreciation on the cost and a return on the undepreciated balance of the costs using the last approved return on equity.

The bill requires that, beginning December 1 of the year after the first full year of implementation of a transmission and distribution storm protection plan and annually thereafter, the commission must submit to the Governor, the President of the Senate, and the Speaker of the House of Representatives a report on the status of utilities' storm protection activities. The report must include, but is not limited to, identification of all storm protection activities completed or planned for completion, the actual costs and rate impacts associated with completed activities as compared to the estimated costs and rate impacts for those activities, and the estimated costs and rate impacts associated with activities planned for completion.

The bill requires the commission to adopt rules to implement and administer these requirements, and to propose a rule for adoption as soon as practicable after the effective date of the act, but not later than October 31, 2019.

The bill provides that, for the 2019-2020 fiscal year, the sums of \$261,270 in recurring funds and \$15,020 in nonrecurring funds from the Regulatory Trust Fund are appropriated to the Public Service Commission, and 4 full-time equivalent positions with associated salary rate of 180,583 are authorized for the purpose of implementing this act.

If approved by the Governor, these provisions take effect upon becoming law. *Vote: Senate 39-1; House 110-3* 



### New law backs underground power lines





**Posted** Jun 27 2019 09:51PM EDT

**TALLAHASSEE, Fla. (NSF)** - Gov. Ron DeSantis on Thursday signed a bill that could lead to more underground power lines in hurricane-vulnerable Florida and vetoed two measures that would have imposed <u>health</u> care-related fees.

The bill dealing with power lines (SB 796) came after millions of residents and <u>businesses</u> lost electricity in hurricanes during the past three years. State officials and utilities have long faced questions about why more power lines are not buried underground, where the lines could be less susceptible to punishing winds and falling trees.



ower lines in some areas. But a key part of the bill would change <u>(Weather)</u> <u>bjects</u> are financed, a change that could lead to more projects ---

While acknowledging the potential higher costs, supporters of the bill pointed to the <u>economic</u> damage done when electricity goes out for extended periods, such as after Hurricane Irma in 2017 and Hurricane Michael in 2018.

ufThe读 is what I do know, right now we spend billions of dollars every time the power goes out to get it back on," <u>House</u> sponsor Randy Fine, R-Palm Bay, said near the end of the spring legislative session. "Those of you who lived through Irma remember we import hundreds, if not thousands, if not tens of thousands of people to come down here to get our utilities back on. That costs hundreds and hundreds of millions of dollars. To some degree, a lot of that goes away if we do this."

Generally, utilities such as Florida Power & Light, Duke Energy Florida, Tampa Electric Co. and Gulf Power incorporate storm-hardening costs in their base electric rates, which are set for multiple years. The Florida Public Service Commission goes through months-long processes to determine base rates, looking at financial and technical issues that involve numerous parts of utility <u>operations</u>.

But the bill creates a separate Public Service Commission process that will allow utilities each year to seek to collect money from customers for storm-protection projects, such as building underground power lines. Commission staff members met this week with representatives of consumers and utilities to begin working on the process, in anticipation of the bill being signed.

The bill passed the Senate in a 39-1 vote and the House in a 110-3 vote. Nevertheless, it faced opposition during the session from the senior-advocacy group AARP Florida and the Florida Industrial Power Users Group, which represents large commercial electricity customers and is often involved in regulatory issues. They expressed concerns about the potential higher costs for consumers.

DeSantis' office late Thursday released a list of four bills that he had signed and two he had vetoed. The moves brought to four the number of bills he has vetoed from the session that ended May 4.

With DeSantis saying his goal was to decrease health-care costs, the bills he vetoed Thursday would have authorized the state to levy fees to help support two new programs.

One of the measures (HB 7073) involved fees linked to an initiative to allow prescription drugs to be imported from Canada and other countries. The bill would have authorized the state to collect fees for two new types of permits: an international export pharmacy permit and an international drug wholesale distributor permit.

ier)89 an initial draft application that included a \$255 fee. that would have required the Department of Health's medical o://www.fox35orlando.com/ licensure boards to charge a \$150 registration fee for out-of-state health care professionals seeking to provide telehealth services to Florida residents.

lready started moving to create the interpational

The fee was passed because Florida law requires that the costs of regulating health-care practitioners Uphylet be borne by the people who receive licenses and licensure applicants. The bill also would have 🗶 required a biennial renewal fee of \$150 for out-of-state telehealth providers.

DeSantis has signed two bills (HB 19 and HB 23) that are aimed at importing prescription drugs and boosting the use of telehealth. While he was a supporter of those measures, DeSantis took issue with the permit fees.

"These pieces of legislation (HB 19 and HB 23) provide a framework for Floridians to access more affordable prescription medication and to utilize the services of physicians via a cheaper and more affordable convenient medium," DeSantis wrote in his veto letter. "With this in mind, the imposition of fees would undercut these efforts and would likely make administering the programs more cumbersome."

Legislators were forced to place the fees in separate bills because of a constitutional amendment that requires any fee or tax increase to be in stand-alone legislation.

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1

2019796er

1	
2	An act relating to public utility storm protection
3	plans; creating s. 366.96, F.S.; providing legislative
4	findings; defining terms; requiring public utilities
5	to submit to the Public Service Commission, for
6	review, a transmission and distribution storm
7	protection plan; specifying matters to be considered
8	in the commission's review of a plan; requiring the
9	commission to approve, modify, or deny a plan within a
10	specified timeframe; requiring a utility to update its
11	plan on a specified basis, subject to commission
12	review; requiring the commission to conduct an annual
13	proceeding to allow utilities to recover certain costs
14	through a storm protection plan cost recovery clause;
15	providing that utilities may not include costs
16	recovered through their base rates; providing that
17	certain costs will not be subject to certain
18	disallowances or reviews; providing for the allocation
19	of such costs; authorizing utilities to recover
20	depreciation and a return on certain capital costs
21	through the recovery clause; requiring the commission
22	to submit an annual report to the Governor and
23	Legislature; requiring rulemaking; providing
24	appropriations and authorizing positions; providing an
25	effective date.
26	
27	Be It Enacted by the Legislature of the State of Florida:
28	
29	Section 1. Section 366.96, Florida Statutes, is created to

### Page 1 of 6

1	2019796er
30	read:
31	366.96 Storm protection plan cost recovery
32	(1) The Legislature finds that:
33	(a) During extreme weather conditions, high winds can cause
34	vegetation and debris to blow into and damage electrical
35	transmission and distribution facilities, resulting in power
36	outages.
37	(b) A majority of the power outages that occur during
38	extreme weather conditions in the state are caused by vegetation
39	blown by the wind.
40	(c) It is in the state's interest to strengthen electric
41	utility infrastructure to withstand extreme weather conditions
42	by promoting the overhead hardening of electrical transmission
43	and distribution facilities, the undergrounding of certain
44	electrical distribution lines, and vegetation management.
45	(d) Protecting and strengthening transmission and
46	distribution electric utility infrastructure from extreme
47	weather conditions can effectively reduce restoration costs and
48	outage times to customers and improve overall service
49	reliability for customers.
50	(e) It is in the state's interest for each utility to
51	mitigate restoration costs and outage times to utility customers
52	when developing transmission and distribution storm protection
53	plans.
54	(f) All customers benefit from the reduced costs of storm
55	restoration.
56	(2) DEFINITIONSAs used in this section, the term:
57	(a) "Public utility" or "utility" has the same meaning as
58	set forth in s. 366.02(1), except that it does not include a gas

### Page 2 of 6

	2019796er
59	utility.
60	(b) "Transmission and distribution storm protection plan"
61	or "plan" means a plan for the overhead hardening and increased
62	resilience of electric transmission and distribution facilities,
63	undergrounding of electric distribution facilities, and
64	vegetation management.
65	(c) "Transmission and distribution storm protection plan
66	costs" means the reasonable and prudent costs to implement an
67	approved transmission and distribution storm protection plan.
68	(d) "Vegetation management" means the actions a public
69	utility takes to prevent or curtail vegetation from interfering
70	with public utility infrastructure. The term includes, but is
71	not limited to, the mowing of vegetation, application of
72	herbicides, tree trimming, and removal of trees or brush near
73	and around electric transmission and distribution facilities.
74	(3) Each public utility shall file, pursuant to commission
75	rule, a transmission and distribution storm protection plan that
76	covers the immediate 10-year planning period. Each plan must
77	explain the systematic approach the utility will follow to
78	achieve the objectives of reducing restoration costs and outage
79	times associated with extreme weather events and enhancing
80	reliability. The commission shall adopt rules to specify the
81	elements that must be included in a utility's filing for review
82	of transmission and distribution storm protection plans.
83	(4) In its review of each transmission and distribution
84	storm protection plan filed pursuant to this section, the
85	commission shall consider:
86	(a) The extent to which the plan is expected to reduce
87	restoration costs and outage times associated with extreme

### Page 3 of 6

2019796er 88 weather events and enhance reliability, including whether the plan prioritizes areas of lower reliability performance. 89 90 (b) The extent to which storm protection of transmission 91 and distribution infrastructure is feasible, reasonable, or 92 practical in certain areas of the utility's service territory, including, but not limited to, flood zones and rural areas. 93 94 (c) The estimated costs and benefits to the utility and its 95 customers of making the improvements proposed in the plan. 96 (d) The estimated annual rate impact resulting from 97 implementation of the plan during the first 3 years addressed in 98 the plan. 99 (5) No later than 180 days after a utility files a 100 transmission and distribution storm protection plan that 101 contains all of the elements required by commission rule, the 102 commission shall determine whether it is in the public interest 103 to approve, approve with modification, or deny the plan. 104 (6) At least every 3 years after approval of a utility's 105 transmission and distribution storm protection plan, the utility 106 must file for commission review an updated transmission and 107 distribution storm protection plan that addresses each element 108 specified by commission rule. The commission shall approve, 109 modify, or deny each updated plan pursuant to the criteria used 110 to review the initial plan. (7) After a utility's transmission and distribution storm 111 protection plan has been approved, proceeding with actions to 112 113 implement the plan shall not constitute or be evidence of 114 imprudence. The commission shall conduct an annual proceeding to 115 determine the utility's prudently incurred transmission and 116 distribution storm protection plan costs and allow the utility

#### Page 4 of 6

	2019796er
117	to recover such costs through a charge separate and apart from
118	its base rates, to be referred to as the storm protection plan
119	cost recovery clause. If the commission determines that costs
120	were prudently incurred, those costs will not be subject to
121	disallowance or further prudence review except for fraud,
122	perjury, or intentional withholding of key information by the
123	public utility.
124	(8) The annual transmission and distribution storm
125	protection plan costs may not include costs recovered through
126	the public utility's base rates and must be allocated to
127	customer classes pursuant to the rate design most recently
128	approved by the commission.
129	(9) If a capital expenditure is recoverable as a
130	transmission and distribution storm protection plan cost, the
131	public utility may recover the annual depreciation on the cost,
132	calculated at the public utility's current approved depreciation
133	rates, and a return on the undepreciated balance of the costs
134	calculated at the public utility's weighted average cost of
135	capital using the last approved return on equity.
136	(10) Beginning December 1 of the year after the first full
137	year of implementation of a transmission and distribution storm
138	protection plan and annually thereafter, the commission shall
139	submit to the Governor, the President of the Senate, and the
140	Speaker of the House of Representatives a report on the status
141	of utilities' storm protection activities. The report shall
142	include, but is not limited to, identification of all storm
143	protection activities completed or planned for completion, the
144	actual costs and rate impacts associated with completed
145	activities as compared to the estimated costs and rate impacts

### Page 5 of 6

ENROLLED 2019 Legislature

2019796er 146 for those activities, and the estimated costs and rate impacts 147 associated with activities planned for completion. 148 (11) The commission shall adopt rules to implement and administer this section and shall propose a rule for adoption as 149 150 soon as practicable after the effective date of this act, but 151 not later than October 31, 2019. 152 Section 2. For the 2019-2020 fiscal year, the sums of 153 \$261,270 in recurring funds and \$15,020 in nonrecurring funds 154 from the Regulatory Trust Fund are appropriated to the Public Service Commission, and 4 full-time equivalent positions with 155 156 associated salary rate of 180,583 are authorized for the purpose 157 of implementing this act. Section 3. This act shall take effect upon becoming a law. 158

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### **Utility Ballot Measure Sparks Battle In Florida**

June 24, 2019 at 3:41 pm Filed Under: Electric power, Electricity, Florida, Florida News, Local TV, Utilities

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TALLAHASSEE (CBSMiami/NSF) — State leaders and power business groups are trying to kill a proposed constitutional	Subseribe New!
amendment that would lead to major changes in the way F get electricity.	NOW PLAYING
Opponents, including Attorney General Ashley Moody, leg leaders, business groups and utilities, filed 13 briefs late la at the Florida Supreme Court arguing that the proposal sh blocked from going on the November 2020 ballot.	

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The briefs were the latest batch of arguments about the proposal, which would uproot the long-established regulatory structure that leads to residents and businesses in much of the state receiving electricity from four utilities: Florida Power & Light, Duke Energy Florida, Tampa Electric Co. and Gulf Power.

The proposal, backed by a political committee known as Citizens for Energy Choices, calls for creating "competitive" electricity markets in which customers would have the right to choose electricity providers or to produce their own power. Supporters, including companies that want to supply electricity in Florida, point to a similar structure that Texas has used for nearly two decades.

But the opponents contend that the measure should never reach the ballot because it violates legal standards for citizens' initiatives, such as tying together multiple subjects in a proposed constitutional amendment. A brief filed Friday by the Senate alleged that the initiative includes a "Frankenstein's Monster of policies."

In part, those arguments stem from the effects of the proposed amendment on FPL, Duke, Tampa Electric and Gulf Power, which are known in the industry as investor-owned utilities, or IOUs. The amendment would limit the companies to building, operating and repairing electrical transmission and distribution systems, a farsmaller role than they now play in generating, transmitting and selling power.

"(The) initiative encompasses at least two very disparate subjects purportedly promoting 'competition' in a restructured energy marketplace while at the same time eliminating IOUs from competing in that marketplace," said a brief filed Friday by the Florida Chamber of Commerce and the Florida Economic Development Council.



But Citizens for Energy Choices, in a brief filed last month that the proposal violates legal standards for going on the also said allowing the four major private utilities to "wield enormous, entrenched power as competitors in a restruct market is antithetical" to competitive electricity markets. to Texas, where it said utilities changed their corporate str to separate generating electricity from transmitting it.





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"The amendment presents what the proponents believe to be the only method of achieving a fully competitive wholesale and retail electricity market affording meaningful choices among a wide variety of competing electricity providers in Florida, and that includes divestiture of the IOUs' generation and sales components of the ... monopolies the IOUs have long enjoyed," the Citizens for Energy Choices brief said. "The voters are free to accept or reject that proposal."

The Supreme Court plays a gatekeeper role in deciding whether citizens' initiatives go before voters. Justices are not supposed to weigh the merits of proposed constitutional amendments but look at issues such as whether the proposals involve single subjects and whether ballot titles and summaries — the wording that voters see — are misleading.

The court is scheduled to hear arguments on the Citizens for Energy Choices initiative Aug 28. If justices sign off, Citizens for Energy Choices appears to have a decent chance of getting on the ballot. As of Monday afternoon, it had submitted 325,445 valid petition signatures to the state and would need to submit a total of 766,200 to be able to go before voters.

Opposition to the measure has come from some of the mostinfluential players in the Capitol, including Moody, House and Senate leaders, the Florida Chamber of Commerce, Associated Industries of Florida, the Florida Hospital Association and the Florida Health Care Association. Also filing or signing onto briefs have been FPL, Duke Energy, Tampa Electric, Gulf Power, the Florida Electric Cooperatives Association, the Florida Municipal Electric Association and the Florida Public Service Commission, which regulates utilities.

Supporters of the proposal have included Infinite Energy, Inc., NRG Energy, Inc., and Vistra Energy Corp. Citizens for Energy Choices had raised and spent nearly \$2.7 million as of May 31, a finance report shows.

In the brief last month, Citizens for Energy Choices pointed to the "enormous clout" and political contributions of FPL, Duke Energy, Tampa Electric and Gulf Power.

"The IOUs' expenditures not only underscore their astounding influence, they poignantly demonstrate why the ballot init process is the only means by which a restructuring of the c market can be achieved," the brief said.

But the Senate brief Friday fired back about the motives o political committee.

"Contrary to the image of regular citizens trying to change they are governed, this is a well-heeled special interest gro to advance a policy change that would benefit their indust Senate brief said. "The (Supreme) Court should be skeptic

	commercial interests attempting to use the citizen initiative process to benefit themselves."
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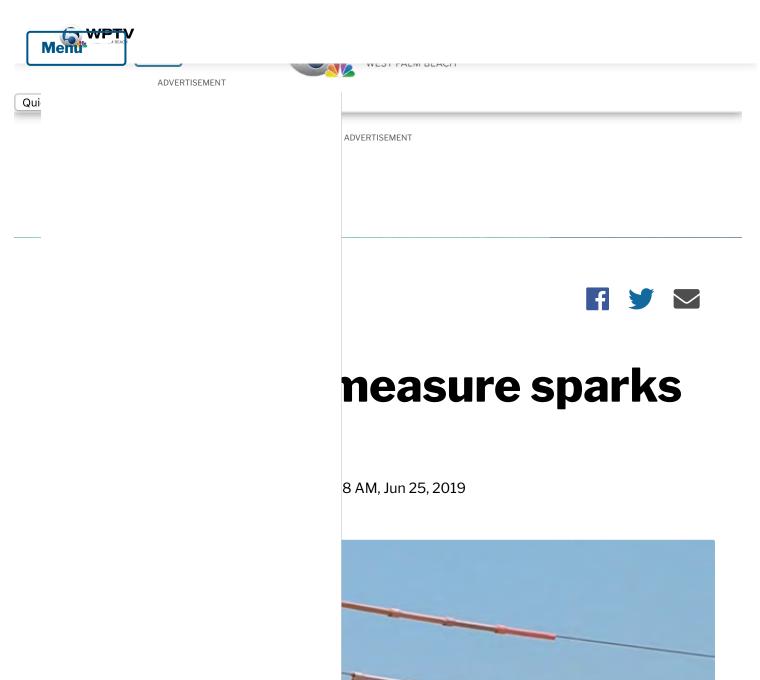
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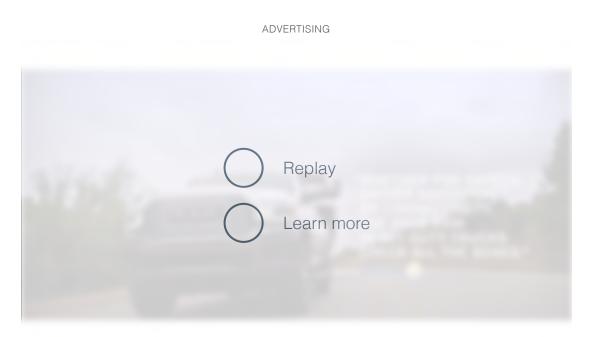
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a proposed constitutional amendment that would lead to major changes in the way Floridians get electricity.

Opponents, including Attorney General Ashley Moody, legislative leaders, business groups and utilities, filed 13 briefs late last week at the Florida Supreme Court arguing that the proposal should be blocked from going on the November 2020 ballot.

The briefs were the latest batch of arguments about the proposal, which would uproot the long-established regulatory structure that leads to residents and businesses in much of the state receiving electricity from four utilities: Florida Power & Light, Duke Energy Florida, Tampa Electric Co. and Gulf Power.



The proposal, backed by a political committee known as Citizens for Energy Choices, calls for creating "competitive" electricity markets in which customers would have the right to choose electricity providers or to produce their own power. Supporters, including companies that want to supply electricity in Florida, point to a similar structure that Texas has used for nearly two decades.



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In part, those arguments stem from the effects of the proposed amendment on FPL, Duke, Tampa Electric and Gulf Power, which are known in the industry as investor-owned utilities, or IOUs. The amendment would limit the companies to building, operating and repairing electrical transmission and distribution systems, a far-smaller role than they now play in generating, transmitting and selling power.

"(The) initiative encompasses at least two very disparate subjects --purportedly promoting 'competition' in a restructured energy marketplace while at the same time eliminating IOUs from competing in that marketplace," said a brief filed Friday by the Florida Chamber of Commerce and the Florida Economic Development Council.

But Citizens for Energy Choices, in a brief filed last month, disputed that the proposal violates legal standards for going on the ballot. It also said allowing the four major private utilities to "wield their enormous, entrenched power as competitors in a restructured market is antithetical" to competitive electricity markets. It pointed to Texas, where it said utilities changed their corporate structures to separate generating electricity from transmitting it.

"The amendment presents what the proponents believe to be the only method of achieving a fully competitive wholesale and retail electricity market affording meaningful choices among a wide variety of competing electricity providers in Florida, and that includes divestiture of the IOUs' generation and sales components of the ... monopolies the IOUs have long enjoyed," the Citizens for Energy Choices brief said. "The voters are free to accept or reject that proposal."



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# Utility watchdog: Don't be blinded by shiny FPL solar plan without more review

By John Haughey | The Center Square Jun 28, 2019



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Since unveiling its "30-by-30" plan to install 30 million solar panels by 2030 in January, Florida Power & Light (FPL) has continued to stoke its rapid expansion into solar power by adding a commitment to build 20 solar-power plants and the world's largest solar battery storage site in Manatee County.

According to the Smart Electric Power Alliance (SEPA)'s **2019 Utility Solar Market Snapshot report**, FPL added more panels in 2018 than all but one other utility nationwide.

In March, FPL filed a petition with the Florida Public Service Commission (PSC) to add a new component to its expanding solar programs that would allow ratepayers to "subscribe to a portion" of its new solar power capacity.

FPL's proposed "SolarTogether" program is scheduled to be presented to the PSC, the state's utility regulator, on July 25 after a three-month review by the commission's staff.

The Florida Office of Public Council (OPC), however, thinks just one presentation before the PSC is not enough time to adequately review FPL's "SolarTogether" plan.

The "extraordinary size of the program," complex engineering and financial issues "have generated concern and interest from numerous persons and entities across Florida," the OPC said in a filing this week with the PSC. "Approval of the program in the form proposed in the [FPL] petition has the potential to set new precedent for the regulatory oversight of electric utilities in the state."

OPC, which represents the state's consumers in utility matters, is requesting the PSC review FPL's "SolarTogether" plan in a full administrative public hearing before July 25.

FPL filed its proposed "SolarTogether" program with the PSC on March 13. The plan seeks to spend \$1.79 billion to build 20 74.5-megawatt solar plants that would collective add 1,490 megawatts of electricity generation to its grid.

FPL's filing said the solar projects would offer long-term savings of \$139 million to customers because increased use of solar would reduce dependence on natural gas and other types of power plants.

Under the plan, customers can voluntarily opt to have their power sourced from a solar plant, paying a charge each month and receiving credits for savings produced by the program.

"The company has developed 'SolarTogether' as a cost-effective opportunity for customers to directly support the expansion of solar power without the need to install solar on their rooftop," the filing said. "Through FPL SolarTogether, customers will have the option to subscribe to kilowatts of solar capacity from dedicated cost-effective 74.5-megawatt solar power plants built for this program. Participating customers' monthly bills will include the cost of their subscribed capacity and credits that reflect the system savings generated by their subscribed capacity."

On June 14, FPL received clearance to continue assessing a "base rate adjustment" – charges all customers pay to finance capital improvements – for the costs of building solar power plants when the Florida Supreme Court unanimously shot down a challenge by the Florida Industrial Power Users Group (FIPUG).

The court ruled FPL is allowed to impose an \$863 million solar energy base rate adjustment (SoBRA) for eight solar projects built in 2017 and 2018.

FIPUG argued that the PSC's 2016 approval of a SoBRA to recover costs for the construction of the projects was imprudent because the plants are neither needed nor cost-effective.

The court noted FIPUG did not argue the SoBRA in 2016 before the PSC while FPL successfully maintained the projects are cost-effective and are projected to result in \$106 million in customer savings.

FPL operates 18 large solar plants, more than 200 smaller installations and, as of January, had installed about 5 million solar panels statewide.

It states in PSC filings that it has secured thousands of acres of land across the state for solar projects and will acquire thousands of additional acres to more than double the number of its solar power plants and increase the number of installed solar panels six-fold in little more than a decade.

FPL, a subsidiary of NextEra Energy, with 5 million accounts serving about 10 million people – roughly half Florida's population – is the third largest electric utility company in the U.S.

FPL will close its last remaining coal-fired plant, the Indiantown Cogeneration facility, by the end of the year.

### **Corrections and Clarifications**

This story has been edited since initial publication to correct the name of Smart Electric Power Alliance's report.