#### BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition by Duke Energy Florida, LLC for a limited proceeding to approve Clean Energy Connection Program and Tariff and Stipulation

FILED: October 28, 2020

Docket No. 20200176-EI

# PREHEARING STATEMENT OF SOUTHERN ALLIANCE FOR CLEAN ENERGY

The Southern Alliance for Clean Energy, Inc. ("SACE"), by and through its undersigned counsel, and pursuant to Order No. PSC-2020-0324-PCO-EI Establishing Procedure hereby submits its Prehearing Statement.

# I. Witnesses

SACE is not sponsoring any witnesses.

# II. Prefiled Exhibits

SACE is not sponsoring any prefiled exhibits. However, SACE reserves the right to use other exhibits during cross examination of any other party or intervenor's witnesses.

## **III.** Statement of Basic Position

The Duke Energy Florida ("DEF") Clean Energy Connection ("CEC") proposed shared solar program provides an innovative design to meet the enormous demand for solar power in Florida in a cost effective fashion that is consistent with state statute. The program will accelerate the development of clean, abundant and low cost solar power and consists of ten solar installations totaling 749 megawatts ("MW"). The installations will decrease Florida's over-reliance on fossil gas that is a driver of climate change. A

stipulation ("Stipulation") between DEF and SACE, Vote Solar and Walmart was filed along with the program petition and tariff on July1, 2020. The Stipulation in its totality is fair, just and reasonable, is in the public interest, and deserves approval by the Commission.

The CEC program is projected to save DEF customers \$532.7 million of cumulative present value revenue requirement over the economic life of the ten solar installations that support the program. The program builds on the similarly designed SolarTogether shared solar program previously approved by the Commission, but it allocates a significantly higher share of benefits (87%) to the general body of customers, and has a significantly higher low-income participation provision (27.7% of the residential section). To highlight the significant size of the CEC low-income provision, it's projected to be 26 MW, which makes it larger than the total size of the Tampa Electric Company shared solar program approved by the Commission in 2017. The Stipulation provides that DEF will market the CEC program to participants in its low-income energy efficiency programs to maximize savings, will allow participation regardless of arrearage status, and continue to review outreach and engagement strategies to maximize participation.

The legislature has spoken on the benefits of renewable resources, such as solar power, by stating that it has "the potential to help <u>diversify fuel types</u> to meet Florida's growing dependency on natural gas for electric production, <u>minimize the volatility of fuel</u> costs, encourage investment within the state, improve environmental conditions, and make

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<sup>&</sup>lt;sup>1</sup> Florida Public Service Commission, Order No. PSC-2020-0084-S-EI, March 20, 2020.

<sup>&</sup>lt;sup>2</sup> See Tampa Electric Company, Petition for Approval of Shared Solar Tariff, Docket No. 20180204, November 2, 2018.

Florida a leader in new and innovative technologies." The CEC program is consistent with the statute as it will obviate the need for two natural gas combustion turbine units – displacing 450 MW of fossil gas with solar power – which diversifies fuel types in Florida. 4 The Stipulation additionally requires DEF to analyze displacing even more planned fossil gas units with solar and storage development and provides a framework for data collection and engagement on customer-owned solar.<sup>5</sup> The CEC solar installations will help reduce the state's dependence on fossil gas not only because of the displacement of the units, but because it will reduce the burning of fossil fuels as soon as the solar installations come into service – this if of course reflected in the fuel cost savings that drive the economic benefits of the program. With reduced fuel use, the general body of customers, including low-income families, is insulated from fuel price spikes on monthly bills. Development of the solar installations will create jobs and stimulate economic development in the local communities that will host the installations while supporting Florida's growing leadership on solar power. The Stipulation additionally ensures that DEF will use competitive solicitation to construct projects and will consider acquiring third party projects at various stages of development.

Both utility scale and rooftop solar installations continue to grow in Florida, yet some residential customers cannot directly access the economic benefits of solar power because they may rent their homes, live in multi-unit dwellings, or have shaded roofs. Likewise there are commercial customers that may not own their business property, or

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<sup>&</sup>lt;sup>3</sup> Section 366.91, Fla. Stat. (emphasis added)

<sup>&</sup>lt;sup>4</sup> Direct Testimony of Benjamin Borsch, Exhibit BMHB-4, Docket No. 20200176-EI, July 1, 2020.

<sup>&</sup>lt;sup>5</sup> Duke Energy Florida, *Clean Energy Connection Stipulation*, Docket No. 20200176-EI pp. 5-6, July 1, 2020.

may not want the ownership responsibility of rooftop solar. The DEF CEC program provides these customers the option to participate in the program and realize a direct economic benefit from solar power.

It prioritizes the customer experience by allowing participation with no upfront subscription fees, flexible subscription amounts, no cancellation fees, and allows the subscription to stay with the customer if they move within DEF's service territory. The large amount of capacity already committed to through the CEC presubscription process evidences enormous customer demand for solar power in Florida. The CEC program is particularly important to local governments for meeting sustainability goals. The program provides a realistic pathway, given the state's regulatory structure, in meeting critically important goals to reduce carbon emission or move to 100% renewable energy. To date, seventeen cities or counties have signaled their desire to participate in the program, and have filed comments in support of the program in the docket.<sup>6</sup>

It is well established that the impacts of climate change are more profoundly borne by communities of color and low-income communities. The burning of fossil fuels in the electricity sector is a significant driver to a changing climate. The CEC program will lead to reduced fossil fuel combustion and displacement of future fossil gas units thereby reducing carbon dioxide and other harmful emissions. This benefits all Floridians, but particularly those customers least able to relocate to avoid climate change impacts and harmful air pollution.

<sup>&</sup>lt;sup>6</sup> Lon Huber, Rebuttal Testimony, Docket No. 20200176, p. 13, October 19, 2020; *See eg.* City of St. Petersburg, Comment Letter, Docket No. 20200176, September 3, 2020.

<sup>&</sup>lt;sup>7</sup> See NAACP, *Environmental and Climate Justice*, at https://naacp.org/issues/environmental-justice/

The Commission is afforded great deference to determine that the Stipulation between parties is in the public interest, and it will be presented with substantial, competent evidence during the hearing upon which to make a public interest determination. Taken as a whole, the tariff and program provisions embodied in the Stipulation strike a reasonable balance in the sharing of economic benefits of the CEC program between the general body of customers and participants, expands opportunities for participation to low-income families, and promotes a host of economic and environmental benefits to the state and its residents. As such, SACE requests that the Commission find the Stipulation in the public interest and approve it in its entirety.

### IV. Statement of Issues and Positions

ISSUE 1: Should the Commission approve the Stipulation for approval of the Duke Energy Florida, LLC, Clean Energy Connection Program and Tariff, when taken as a whole, as in the public interest?

**POSITION**: Yes. The Stipulation is in the public interest.

# V. Stipulated Issues

None.

#### **VI. Pending Motions or Other Matters**

None at this time.

#### VII. Pending Request or Claims for Confidentiality

None.

#### **VIII. Objections to Witness Qualifications**

None.

# **IX.** Request for Sequestration of Witnesses

None.

# X. Compliance with Order Establishing Procedure

SACE has complied with the order establishing procedure in this docket.

RESPECTFULLY SUBMITTED this 28<sup>th</sup> day of October 2020

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# **CERTIFICATE OF SERVICE**

I HEREBY CERTIFY that a true copy and correct copy of the foregoing was served on this <u>28th</u> day of October, via electronic mail on:

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DATED this 28th day of October, 2020.

/s/ George Cavros Attorney