

State of Florida



Public Service Commission

CAPITAL CIRCLE OFFICE CENTER • 2540 SHUMARD OAK BOULEVARD
TALLAHASSEE, FLORIDA 32399-0850

-M-E-M-O-R-A-N-D-U-M-

DATE: November 17, 2020

TO: Office of Commission Clerk (Teitzman)

FROM: Division of Economics (Coston) *JGH*
Office of the General Counsel (Brownless) *JSC*

RE: Docket No. 20200227-EI – Petition for approval of a COVID-19 small business assistance program, by Florida Power & Light Company.

AGENDA: 12/01/20 – Regular Agenda – Tariff Filing - Interested Persons May Participate

COMMISSIONERS ASSIGNED: All Commissioners

PREHEARING OFFICER: Administrative

CRITICAL DATES: 12/14/20 (60-Day Suspension Date)

SPECIAL INSTRUCTIONS: None

Case Background

On October 15, 2020, Florida Power & Light Company (FPL or utility) filed a petition requesting approval of its Main Street Recovery Credit Program Rider (MSR). The proposed tariff is designed to provide financial assistance to small business customers impacted by the COVID-19 global pandemic. Specifically, the proposed tariff would allow qualifying General Service, General Service Time of Use, and General Service Constant Usage customers to receive a 10 percent credit toward their monthly bill through December 31, 2021. FPL is requesting the Commission's consideration on an expedited basis to allow the tariff to be effective for eligible customers the month following approval by the Commission.

On October 16, 2020, FPL filed a revised tariff sheet No. 8.010, Index of Rate Schedules, to correct a scrivener's error in its initial filing. The proposed Tariff Sheet Nos. 8.010 and 8.805 in legislative format are shown in Attachment A to this recommendation. During the review of this petition, staff issued a data request to FPL for which responses were received on November 4,

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2020. The Commission has jurisdiction over this matter pursuant to Sections 366.03, 366.04, 366.05, and 366.06, Florida Statutes (F.S.).

Discussion of Issues

Issue 1: Should the Commission approve FPL's proposed MSR tariff?

Recommendation: Yes, the Commission should approve FPL's proposed MSR Tariff Sheet Nos. 8.010 and 8.805, as shown in Attachment A, effective January 1, 2021. The proposed MSR tariff provides qualifying small business customers the opportunity to receive a 10 percent monthly energy credit through December 31, 2021. (Coston)

Staff Analysis: The impact of the COVID-19 pandemic on Florida's economy has been broad and far-reaching. In response to the economic challenges resulting from recent events, FPL has taken various actions to assist customers affected by the pandemic and its impact on the economy. FPL stated that it took many measures and initiatives at the onset of the pandemic to address the needs of its customers and continues to evaluate opportunities to provide additional support.

The utility noted that certain segments of its small business customer population, especially those in underserved and lower income communities, have been impacted by the COVID-19 pandemic due to required long-term closures and reductions of in-person patronage. In an effort to provide financial assistance to its small business customers, FPL proposed a new initiative, the Main Street Recovery Credit program. FPL stated that this new program would provide assistance to small businesses that may be most impacted by the economic effects of the pandemic. In addition, this program is designed to augment the objectives of the utility's current economic development tariffs, which are designed for its medium-to-large business customers.

This program will offer qualifying customers a 10 percent energy charge credit on their bill each month through December 2021. To qualify, a customer must receive service under the General Service, General Service Time of Use, or General Service Constant Usage rate schedule; not exceed a monthly demand of 21 kilowatts; and meet *one* of the following criteria:

- The customer resumes business operations in a space that was previously inoperative for a minimum of six months; or
- The customer is a new business account; or
- The customer is located in an "Opportunity Zone," as defined by the U.S. Department of the Treasury.

FPL considered several factors when developing the qualification criteria for the program. In determining the closure impact qualification, the utility noted that most small businesses were required to shut down in the March/April time-frame and remained closed until at least September, demonstrating an approximate six-month closure period. Staff believes FPL's six-month approach is reasonable given the impact of the pandemic; however, the utility stated that it is not opposed to considering additional time parameters.¹ In addition, the utility believes the

¹ FPL's Response to Staff's First Data Request, Question 2.

economic impact of the pandemic has increased the challenges of opening new small businesses, and allowing new customers to qualify for the program would support their development and expansion.²

Additionally, FPL noted that Opportunity Zones are designated by the U.S. Department of the Treasury, pursuant to the Opportunity Zone Program, which was created by the Federal Tax Cuts and Jobs Act of 2017. This program is designed to encourage businesses, developers and financial institutions to invest long-term capital in low-income census tract areas. FPL stated that there are approximately 170,000 qualifying customers operating in Opportunity Zones within its service territory.³

To enroll in the program, a qualifying customer would submit an application request at any point prior to December 2021. FPL would notify potential customers about the program through its traditional communication protocol, which includes e-newsletters, social media and its website. In addition, the utility would execute targeted communications to small businesses in its Opportunity Zones.

Once enrolled, each month's bill credit would be calculated using the customer's prior month Base Energy Charge multiplied by the percentage discount. For new businesses, the first month's credit will be estimated based on previous service, premise size, and estimated energy usage for similar businesses. The credit would be applied to a customer's bill as a separate, program-specific line credit. Under this program, FPL anticipates approximately \$16 million in credits would be issued to participating customers over the term of the program.⁴ The utility stated that it does not "intend to track or account for the lost revenues associated with the credit for purposes of recovery between rate cases or in FPL's next rate case."⁵ Therefore, it is staff's understanding that any lost revenues associated with this tariff will not affect the general body of ratepayers.

Conclusion

Staff has reviewed the petition and the responses to staff's data request and believes the proposed tariff will provide assistance to qualifying small businesses impacted by the economic challenges resulting from the COVID-19 pandemic. The Commission should approve FPL's proposed MSR Tariff Sheet Nos. 8.010 and 8.805, as shown in Attachment A, effective January 1, 2021. The proposed MSR tariff allows qualifying small business customers the opportunity to receive a 10 percent monthly energy credit through December 31, 2021.

² FPL's Response to Staff's First Data Request, Question 3.

³ FPL's Response to Staff's First Data Request, Question 1.

⁴ FPL's Response to Staff's First Data Request, Question 5.

⁵ FPL's Response to Staff's First Data Request, Question 4.

Issue 2: Should this docket be closed?

Recommendation: If Issue 1 is approved and a protest is filed within 21 days of the issuance of the order, the tariff should remain in effect, pending resolution of the protest. If no timely protest is filed, this docket should be closed upon the issuance of a consummating order. (Brownless)

Staff Analysis: If Issue 1 is approved and a protest is filed within 21 days of the issuance of the order, the tariff should remain in effect, pending resolution of the protest. If no timely protest is filed, this docket should be closed upon the issuance of a consummating order.

FLORIDA POWER & LIGHT COMPANY Sixty-~~Second~~ Third Revised Sheet No. 8.010
Cancels ~~Sixty-Second~~ ~~Sixty-First~~ Revised Sheet No. 8.010

INDEX OF RATE SCHEDULES		
<u>RATE SCHEDULE</u>	<u>DESCRIPTION</u>	<u>SHEET NO.</u>
BA	Billing Adjustments	8.030
SC	Storm Charge	8.040
GS-1	General Service - Non Demand (0-20 kW)	8.101
GST-1	General Service - Non Demand - Time of Use (0-20 kW)	8.103
GSD-1	General Service Demand (21-499 kW)	8.105
GSDT-1	General Service Demand - Time of Use (21-499 kW)	8.107
BOC	General Service Load Management Program	8.109
NSMR	Non-Standard Meter Rider	8.120
GSCU-1	General Service Constant Usage	8.122
RS-1	Residential Service	8.201
RTR-1	Residential Time of Use Rider	8.203
CU	Common Use Facilities Rider	8.211
ROC	Residential Load Management Program	8.217
GSLD-1	General Service Large Demand (500-1999 kW)	8.310
GSLDT-1	General Service Large Demand - Time of Use (500-1999 kW)	8.320
CS-1	Curtailable Service (500-1999 kW)	8.330
CST-1	Curtailable Service -Time of Use (500-1999 kW)	8.340
GSLD-2	General Service Large Demand (2000 kW +)	8.412
GSLDT-2	General Service Large Demand - Time of Use (2000 kW +)	8.420
HLFT	High Load Factor - Time of Use	8.425
CS-2	Curtailable Service (2000 kW +)	8.432
CST-2	Curtailable Service -Time of Use (2000 kW +)	8.440
CST-3	Curtailable Service -Time of Use (69 kV or above)	8.542
CS-3	Curtailable Service (69 kV or above)	8.545
GSLD-3	General Service Large Demand (69 kV or above)	8.551
GSLDT-3	General Service Large Demand - Time of Use (69 kV or above)	8.552
OS-2	Sports Field Service	8.602
MET	Metropolitan Transit Service	8.610
CILC-1	Commercial/Industrial Load Control Program (Closed Schedule)	8.650
CDR	Commercial/Industrial Demand Reduction Rider	8.680
SL-1	Street Lighting	8.715
SL-1M	Street Lighting Metered Service	8.718
PL-1	Premium Lighting	8.720
OL-1	Outdoor Lighting	8.725
SL-2	Traffic Signal Service	8.730
SL-2M	Traffic Signal Metered Service	8.731
LT-1	LED Lighting	8.735
RL-1	Recreational Lighting	8.743
SST-1	Standby and Supplemental Service	8.750
ISST-1	Interruptible Standby and Supplemental Service	8.760
EDR	Economic Development Rider	8.800
<u>MSR</u>	<u>FPL Main Street Recovery Credit Program Rider</u>	<u>8.805</u>
DSMAR	Demand Side Management Adjustment Rider	8.810
TR	Transformation Rider	8.820
SDTR	Seasonal Demand - Time of Use Rider	8.830
OSP-1	Supplemental Power Services Rider Pilot	8.845
EFEDR	Existing Facility Economic Development Rider	8.900
CISR	Commercial/Industrial Service Rider	8.910
VSP	Voluntary Solar Partnership Pilot Program	8.930
STR	FPL SolarTogether Rider	8.932

Issued by: Tiffany Cohen, Senior Director, Regulatory Rates, Cost of Service and Systems Director, Rates and Tariffs
Effective: March 3, 2020

FLORIDA POWER & LIGHT COMPANY

Original Sheet No. 8.805

FPL MAIN STREET RECOVERY CREDIT PROGRAM RIDER

AVAILABLE:

In all territory served.

In order to provide assistance to certain small businesses that have been impacted by the COVID-19 global pandemic, an energy charge credit of 10% (FPL Main Street Recovery Credit) that is based on the applicant's qualifying bill is available under this Rider for load associated with: (1) a small business customer that resumes business operations in a space that was previously inoperative for a minimum of six months; (2) initial permanent service to new small business establishments; and (3) small businesses located in "Opportunity Zones," as defined by the Florida Department of Economic Opportunity or the United States Department of Treasury. The FPL Main Street Recovery Credit available under this Rider is limited to Customers who make an application to the Company no earlier than the effective date of this Rider and no later than the expiration of this Rider. The load eligible to receive the FPL Main Street Recovery Credit may not exceed 21 kW at a single delivery point.

TERMS OF SERVICE:

For new businesses, the first month's credit will be based on previous service, premise size, and estimated kWh consumption for similar businesses. For new businesses thereafter, and for all existing businesses, including small businesses located in Opportunity Zones, the Credit will be based on the customer's prior month's consumption. Upon approval of the application, the credit amount will be applied each month to the customer's monthly bill for the remainder of the program. All approved applicants will receive the credit until December 2021, regardless of when the application was submitted.

The program terminates December 31, 2021.

RULES AND REGULATIONS:

Service under this schedule is subject to orders of governmental bodies having jurisdiction and to the currently effective "General Rules and Regulations for Electric Service" on file with the Florida Public Service Commission. In case of conflict between any provision of this schedule and said "General Rules and Regulations for Electric Service" the provision of this schedule shall apply.

Issued by: Tiffany Cohen, Senior Director, Regulatory Rates, Cost of Service and Systems
Effective: