

Item #8- Feasibility Study

**Don Kraher**

**From:** John Herron <johnherron@me.com>  
**Sent:** Wednesday, October 27, 2021 10:15 AM  
**To:** Jared Moore; Ann Hill; Jennifer Brahier; Sherri Myers; Casey Jones; Teniade Broughton; Delarian Wiggins  
**Cc:** Don Kraher  
**Subject:** [EXTERNAL] Agenda Item 8, File 21-00895, Electric Utility Preliminary Feasibility Study  
**Attachments:** Art\_20190707\_FloridaUtilitiesKeepHomeownersFromMakingMostOfSolarPower(RED).pdf

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Dear Council Members,

I correspond now because I am unable to attend the City Council Meeting tomorrow night. I request you read this statement during public comment for Agenda Item 8.

We live in a time when world powers and local economies are shaped by resiliency. Looking forward, in the interests of the planet and future generations, all levels of government need to implement policies that embrace phasing out fossil fuels due to intensifying climate change. Accordingly, pursuing a preliminary feasibility study before lurching forward in negotiations with Florida Power & Light Company and NextEra Energy is a responsible and prudent course of action for the City of Pensacola. The revelation that City negotiators were sprinting to finish negotiations on what would be a 30-year franchise agreement is troubling. These negotiations should be halted until, at a minimum, a proper feasibility study is prepared and fully vetted by the City Council and the public. This is particularly true when considering fossil-fuel use is likely to peak very soon and clean energy technologies like solar power rapidly advance.

Please consider the attached article [Florida's Utilities Keep Homeowners From Making the Most of Solar Power](#), by Ivan Penn, in your deliberations. Also, in the interest of public education, please include a copy of the article as an attachment to the Meeting Minutes for the October 28, 2021 City Council Meeting, along with the attached graphic of Florida generated electricity from 2001 to 2019. Reporter Ivan Penn informs us:

In Florida, utilities make money on virtually all aspects of the electricity system – producing the power, transmitting it, selling it and delivering it. And critics say the companies have much at stake in preserving that control.

“I’ve had electric utility executives say with a straight face that we can’t have solar power in Florida because we have so many cloudy days,” said Representative Kathy Castor ... “I’ve watched as other states have surpassed us. I think that is largely because of the political influence of the investor-owned utilities.”

U.S. Representative Kathy Castor represents Florida’s 14<sup>th</sup> District, and she’s a member of the House Committee on Energy & Commerce and Chair of the House Select Committee on the Climate Crisis.

Some of you may have recently experienced political influence from NextEra lobbyists and executives, as NextEra sprints to finish negotiations before inevitable changes just around the corner move us away from fossil fuels. It should come as no surprise that utilities like NextEra are in a rush to monopolize now, before it’s too late. They realize they have more influence at the state and local level than Capitol Hill and will try to sway you to make decisions against the interests of your constituents. I urge you to resist this political influence. The time to invest in clean energy alternatives is now.

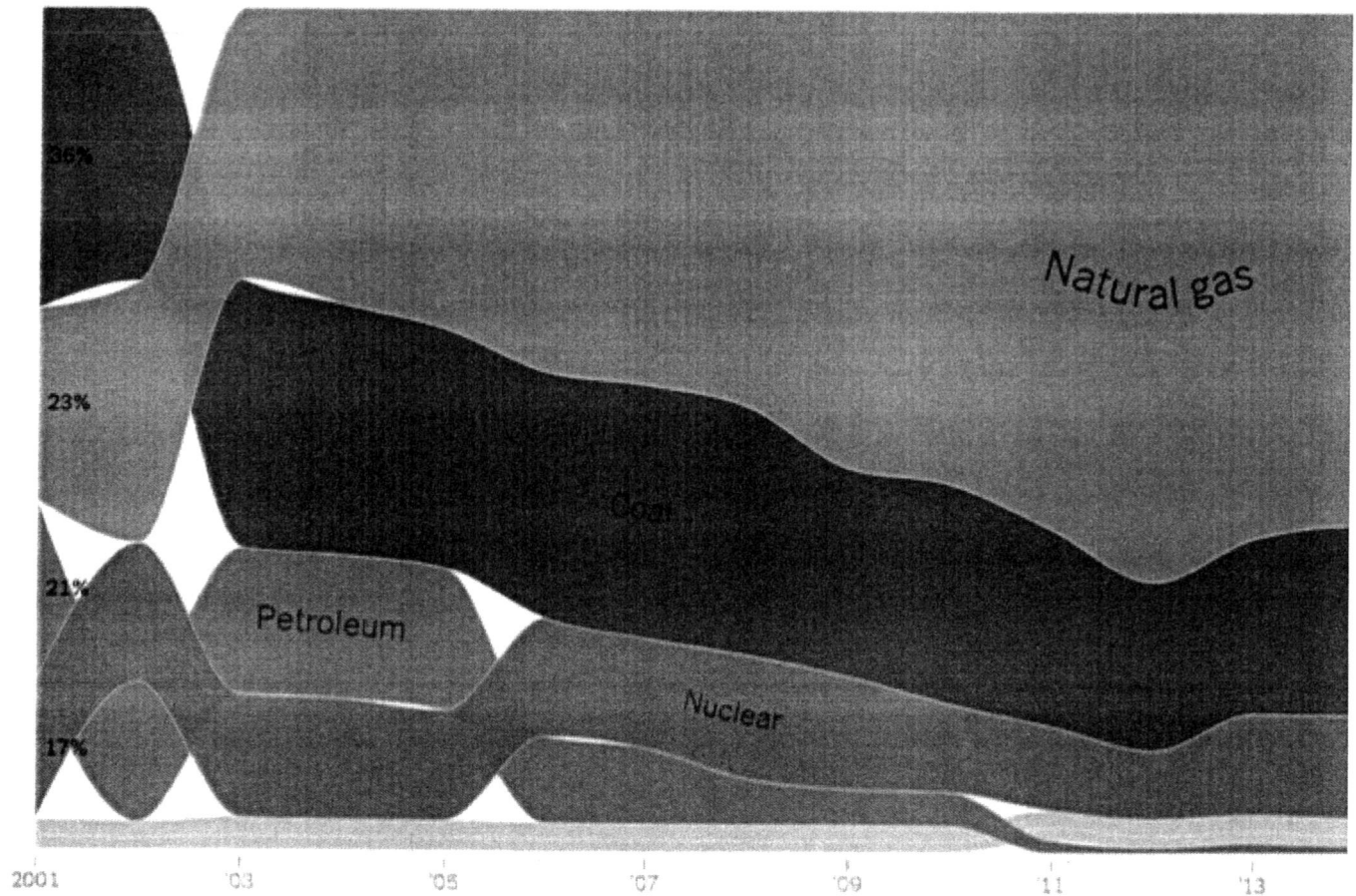
Thank you.

Sincerely,

John Herron, 1900 East La Rua Street

## How **Florida** generated electricity from 2001 to 2019

Percentage of power produced from each energy source



In 2001, more than one-third of the electricity produced in Florida came from burning coal. Two years later, natural gas surpassed coal as the state's top generation source and has continued to expand its share of the state's power mix ever since. By 2019, natural gas made up three-fourths of Florida's electricity generation, nearly double the national average.

Florida is the second-largest producer of electricity nationally after Texas, but still relies on imports from neighboring states to meet consumer demand.

Despite its nickname, the Sunshine State still generates relatively little power from solar panels and has no renewable electricity requirements.

## *Florida's Utilities Keep Homeowners From Making the Most of Solar Power*

The political clout and incentives of the state's big power companies have discouraged installation of rooftop solar panels.

When Timothy Nathan Shields wanted to install solar panels on his home in Largo, Fla., Duke Energy pushed back. "Every time I turned around, they would drag their feet," he said. Zack Wittman for The New York Times

By Ivan Penn

July 7, 2019

ST. PETERSBURG, Fla. — Florida calls itself the Sunshine State. But when it comes to the use of solar power, it trails 19 states, including not-so-sunny Massachusetts, New Jersey, New York and Maryland.

Solar experts and environmentalists blame the state's utilities.

The utilities have hindered potential rivals seeking to offer residential solar power. They have spent tens of millions of dollars on lobbying, ad campaigns and political contributions. And when homeowners purchase solar equipment, the utilities have delayed connecting the systems for months.

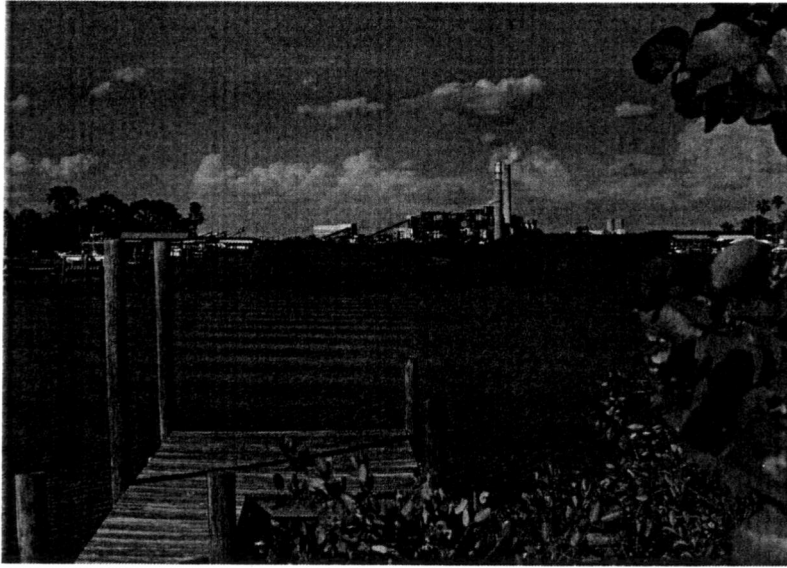
Solar energy is widely considered an essential part of addressing climate change by weaning the electric grid from fossil fuels. California, a clean energy trendsetter, last year became the first state to require solar power for all new homes.



But many utilities across the country have fought homeowners' efforts to install solar panels. The industry's trade organization, the Edison Electric Institute, has warned that the technology threatens the foundation of the power companies' business.

In Florida, utilities make money on virtually all aspects of the electricity system — producing the power, transmitting it, selling it and delivering it. And critics say the companies have much at stake in preserving that control.

"I've had electric utility executives say with a straight face that we can't have solar power in Florida because we have so many cloudy days," said Representative Kathy Castor, a Democrat from the Tampa area. "I have watched as other states have surpassed us. I think that is largely because of the political influence of the investor-owned utilities."



Florida relies largely on natural gas, and several utilities get as much as a quarter of their power from coal. Zack Wittman for The New York Times

The state's utilities have been expanding their own production of solar power. But Florida is one of eight states that prohibit the sale of solar electricity directly to consumers unless the provider is a utility. There is also a state rule, enforced by the utilities, requiring expensive insurance policies for big solar arrays on houses.

In 2009, a measure to require a certain amount of energy to be generated from renewable sources passed the State Senate but died in the House of Representatives when the utilities fought it. Solar proponents have been unable to find legislative traction for similar measures since then.

Mayor Rick Kriseman of St. Petersburg — the site of Duke Energy's Florida headquarters — has argued for changing the way utilities are regulated so they would embrace more energy efficiency, residential solar power and energy storage. The companies essentially see the solar-equipped homeowner as a competitor, not a customer, he said.

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"If your profits are based on consumption, where's your incentive to reduce electricity use?" Mr. Kriseman said.

## A Homeowner's Struggle

Art Graham, chairman of the Florida Public Service Commission, which regulates Duke, Florida Power & Light and other investor-owned utilities, said simple economics was one reason the state had lagged in adopting renewable energy sources. Because Florida has kept electricity rates lower than those in the Northeast and California, he said, the cost savings for homeowners in switching to solar power are more limited.

But there are other obstacles. Timothy Nathan Shields is still stunned by the resistance he faced from Duke, the state's second-largest utility, when he wanted to put solar panels on his home.

Mr. Shields, a 57-year-old retired nurse, wanted a system to cover the electricity needs of his 2,000-square-foot house in Largo, north of St. Petersburg, as well as the cost of charging his electric car. So a year ago he bought a setup twice the size of the average rooftop system from Sunrun, the leading residential solar company.

First, Mr. Shields said, a Duke representative told him that he would not benefit much from solar power because "it rains." Then the utility told him that it wouldn't save him any money. After he made a commitment to buy the system, Duke told him that it needed to be insured, citing its size and saying it could "harm the electric grid."

So he bought a \$1 million insurance policy costing \$200 a year.

"It's absurd," said Brad Heavner, policy director for the California Solar and Storage Association, a trade group. "There's no way you can justify that based on studies of the risk. I would call that an outrageous solar requirement." He said he was not aware of such a rule in other states.

Sunrun installed Mr. Shields's system in days. But Duke took two months to turn it on, forcing him to continue to pay electric bills of as much as \$310 a month. He will pay \$240 a month for the system for the next six years, when it will be paid off, plus a monthly fee of \$11.57 to Duke for a grid connection.

"Every time I turned around, they would drag their feet," Mr. Shields said. "They want you to think it's hard and horrible and difficult."

Randy Wheelless, a Duke spokesman, said that he regretted Mr. Shields's experience, but that the company was simply following state requirements for larger home systems. The utility has been reducing connection times and adding as many as 750 rooftop solar customers a month, he said.

From the state's perspective, Mr. Graham, the chief regulator, said, "I think we definitely could do some things differently" — like revising the policy that will cost Mr. Shields as much as \$6,000 in insurance premiums over the life of his system, potentially more than 30 years.

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## **Political Dollars**

The experience of homeowners like Mr. Shields has largely been shaped by the utilities' political spending.

From 2014 through the end of May, Florida's four largest investor-owned utilities together spent more than \$57 million on campaign contributions, according to an analysis by Integrity Florida, a nonprofit research organization, and the Energy and Policy Institute, a watchdog group. FPL, the state's largest utility, accounted for \$31 million of that total.

The utilities also hired enough lobbyists to have one for every two lawmakers in Tallahassee. From 2014 through 2017, the four companies spent \$6 million on lobbying, Integrity Florida reported.

Sunrun broke through one of the barriers to rooftop solar last year when it won approval to lease solar panels to homeowners, a step subsequently taken by Vivint Solar and Tesla. But regulators stopped short of allowing solar companies to own the panels and simply sell the power directly to consumers, as they can in at least 27 states, the District of Columbia and Puerto Rico.

"There's no solar competition happening," said Abigail Ross Hopper, president of the Solar Energy Industries Association, a trade group.

When it comes to the expansion of the utilities' own solar arrays, Florida's growth rate led the nation in the first quarter, and the state is positioned to hold that ranking for the next six years, according to the energy consulting firm Wood Mackenzie and the Solar Energy Industries Association.

Still, solar energy accounted for only 1 percent of electricity generation in Florida last year, far less than the 19 percent in California and nearly 11 percent in Vermont and Massachusetts, the association said. The state relies largely on natural gas, and several utilities get as much as a quarter of their power from coal.

A spokeswoman for Gov. Ron DeSantis defended the state's clean energy efforts, saying in an email, "Florida's renewable energy industry is growing rapidly."

But solar advocates, rather than the utilities, have been the primary drivers for change at the consumer level.

An unlikely grass-roots coalition has emerged in Florida in the last five years to promote solar power — residential in particular — as environmentalists from the Southern Alliance for Clean Energy and the Sierra Club joined with groups like the Tea Party and the Christian Coalition.

While the groups' rationales for joining the effort varied from environmental protection to a libertarian view of energy freedom, the issue united them against the utilities, which backed a ballot measure in 2016 to impose more fees on solar users and keep solar companies other than utilities out of the state.

Although the utilities spent more than \$20 million on the campaign, the measure was defeated. And the next year, the grass-roots effort persuaded lawmakers to exempt up to 80 percent of the value of solar installations from property taxes. It seemed a great victory for consumers — but the utilities also benefited, because it eased their tax burden on dozens or even hundreds of acres of solar farms.

“I would say that none of Florida’s utilities are enthusiastic about their customers’ deploying solar,” said Stephen Smith, executive director of the Southern Alliance for Clean Energy. “I am not surprised at the horror stories.”

## **A Vision for the Future**

FPL points to its role in a particular bet on a solar future: Babcock Ranch, developed near Fort Myers by a company that extols it as the nation’s first sustainable town. The power company built a solar farm that largely supplies the town’s energy needs.

FPL announced four similarly sized projects in April, and Duke says it is also building farms that size.

“FPL has been working for many years to advance solar energy while keeping customer bills low,” said Mark Bubriski, a company spokesman. The utility said it plans to add enough solar capacity to power about 1.5 million homes and provide 20 percent of its total generation by 2030.

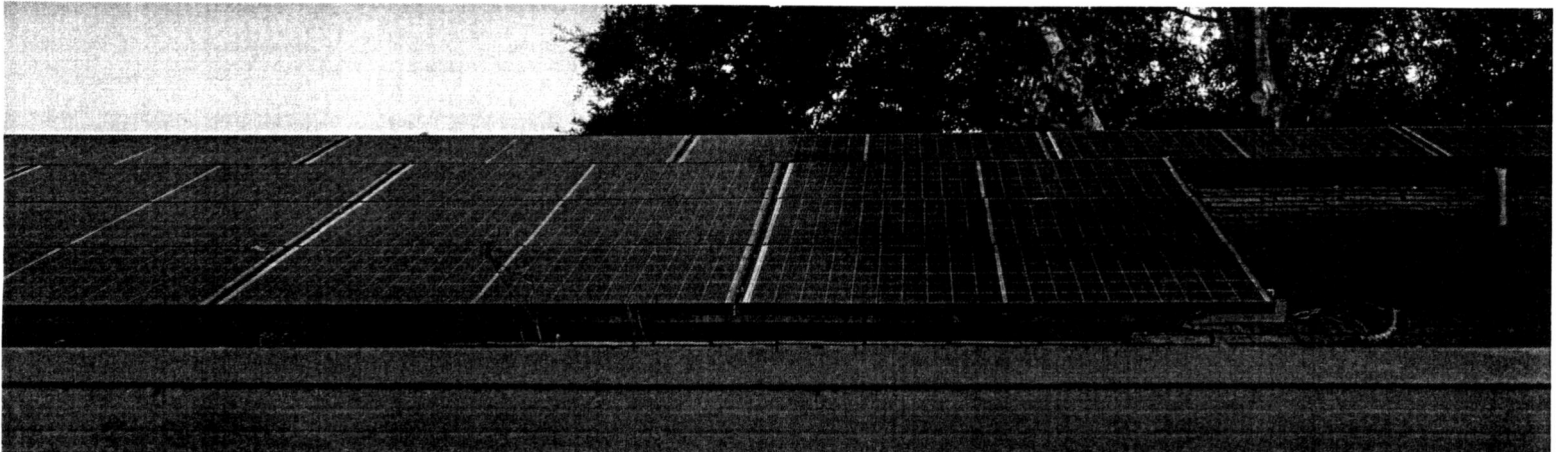
During legislative hearings in Tallahassee, Syd Kitson, the developer of Babcock Ranch, which will include 20,000 homes when fully developed, proposed building a town that could showcase the benefits of solar power.

“I’m an environmentalist who is a developer,” Mr. Kitson said. “It is the Sunshine State, so it made a lot of sense to us.”

But solar proponents feel the utilities need to be pushed further.

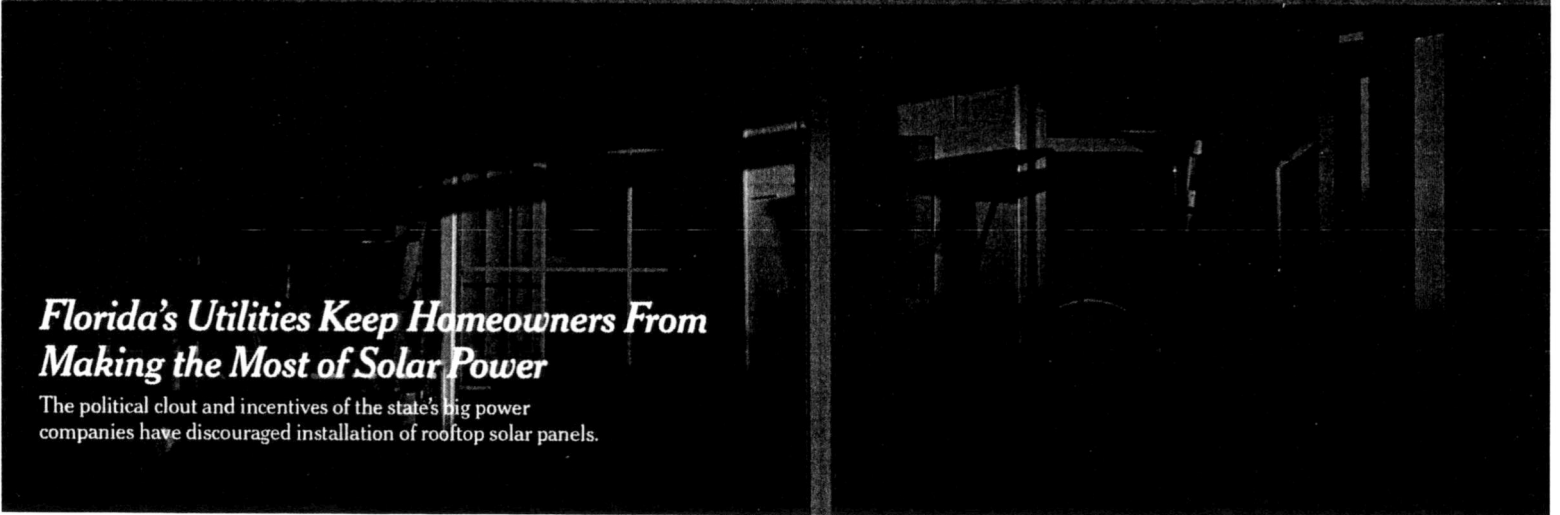
Scott McIntyre, chief executive of Solar Energy Management, a statewide leader in commercial solar power based in St. Petersburg, said the gains the state appeared to be making were little more than a facade.

“Florida is not going to do any type of energy policy that benefits consumers, not for a long time,” Mr. McIntyre said. “They just keep making the hurdles higher and higher.”



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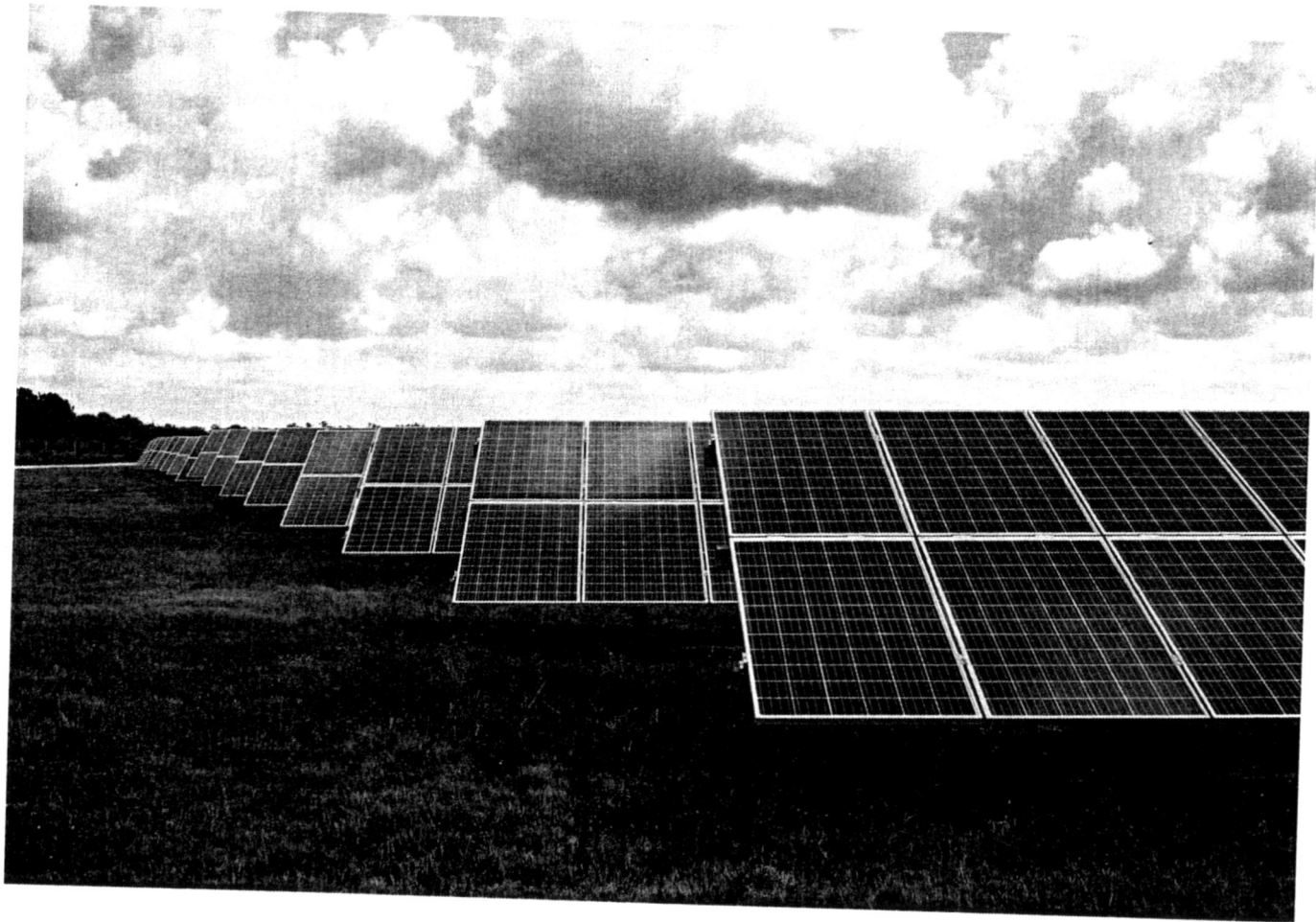
Florida relies largely on natural gas, and several utilities get as much as a quarter of their power from coal.  
Zack Wittman for The New York Times





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Zack Wittman for The New York Times





The solar farm for Babcock Ranch, whose developer calls it the nation's first sustainable town.  
Zack Wittman for The New York Times



Syd Kitson, the developer of Babcock Ranch, considers himself an environmentalist. He convinced Florida Power & Light that the project could showcase the benefits of solar power.  
Zack Wittman for The New York Times

## How Does Your State Make Electricity?

There's been a major shift in how America makes electricity over the past two decades. Each state has its own story.

Electricity generation in **Iowa**

