



Public Service Commission

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RECORDS AND REPORTING

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RECEIVED-FPSC

DATE: OCTOBER 5, 2000

TO: DIRECTOR, DIVISION OF RECORDS AND REPORTING (BAYO)

FROM: DIVISION OF SAFETY AND ELECTRIC RELIABILITY (HAFF, COLSON)
DIVISION OF ECONOMIC REGULATION (SPRINGER)
DIVISION OF LEGAL SERVICES (STERN)

RE: DOCKET NO. 000758-EQ - PETITION FOR APPROVAL OF A PILOT PROGRAM FOR SMALL PHOTOVOLTAIC SYSTEMS BY TAMPA ELECTRIC COMPANY.

AGENDA: OCTOBER 17, 2000 - REGULAR AGENDA - TARIFF FILING - INTERESTED PERSONS MAY PARTICIPATE

MKS
RUE
JDJ
JTS
RMD
JRZ
DW

CRITICAL DATES: 8-MONTH EFFECTIVE DATE: FEBRUARY 22, 2001

SPECIAL INSTRUCTIONS: NONE

FILE NAME AND LOCATION: S:\PSC\SER\WP\000758-B.RCM

CASE BACKGROUND

On June 22, 2000, Tampa Electric Company (TECO) petitioned the Commission to approve a pilot agreement to interconnect, to its system, small photovoltaic systems (SPS) smaller than 10 KW. TECO's proposed SPS agreement is attached in Tariff Sheet Nos. 8.015 and 8.900 through 8.980. The Commission is vested with jurisdiction over this matter through Sections 366.06, 366.051, and 366.975, Florida Statutes.

On July 14, 2000, the Legal Environmental Assistance Foundation (LEAF) petitioned for leave to intervene. LEAF was granted intervenor status on August 3, 2000 (Order No. PSC-00-1419-PCO-EI). LEAF expressed concern that Commission approval of TECO's SPS agreement, as filed, would set a precedent which may influence the outcome of a pending rulemaking on "substantially similar matters". This pending rulemaking is the subject of a current Commission proceeding, Docket No. 990538-EI, *Establishment of*

DOCUMENT NUMBER-DATE

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electric requirements for small photovoltaic systems (10 kW or less) requesting interconnection and parallel operation with an investor-owned utility.

On August 1, 2000, the Commission suspended TECO's proposed tariff to allow TECO and LEAF to address their differences. On September 27, 2000, TECO filed an amendment to its original petition which appears to address LEAF's concerns.

DISCUSSION OF ISSUES

ISSUE 1: Should the Commission approve Tampa Electric Company's (TECO) amended petition to approve a pilot program to interconnect small photovoltaic systems?

RECOMMENDATION: Yes. TECO's proposed SPS agreement is a reasonable attempt to set out the technical and operational requirements for interconnecting customer-owned SPS systems. (Haff, Colson, Springer)

STAFF ANALYSIS: A small photovoltaic system (SPS) is a solar generating system which contains solar photovoltaic (PV) panels and other electrical equipment for making the physical connections to the normal wiring system of a home. The total peak rated output of this equipment, for purposes of the proposed SPS agreement, may not exceed 10 KW peak rated output. An SPS is primarily intended to offset part or all of a customer's electricity requirements.

The proposed SPS agreement, a three-year pilot program, would allow TECO to gather information about the operation of its electric system in parallel with customer-owned SPS generating systems. TECO may install, at its own expense, additional metering or equipment for the purpose of determining the effect of the interconnection on TECO's system.

The SPS agreement contains the interconnection and operational requirements that must be met prior to TECO providing service to these customers. To be eligible for interconnection under TECO's proposed SPS agreement, the customer must demonstrate compliance with the following criteria:

- IEEE-929-2000, *Recommended Practice for Utility Interface of Photovoltaic (PV) Systems*, published by the Institute of Electrical and Electronics Engineers (IEEE);
- UL-1741, *Standard for Safety for Static Inverters and Charge Controllers for Use in Photovoltaic Power Systems*, published by Underwriters Laboratories (UL);
- The National Electric Code (NEC), as periodically issued by the National Fire Protection Association (NFPA).

The proposed SPS agreement requires that the customer provide proof of liability insurance, in an amount not less than \$100,000, prior to interconnecting to TECO's system. This requirement may be satisfied by a standard homeowner's insurance policy.

Realistically, there may be times when the customer's demand for electricity is completely offset by the electrical energy produced by the SPS, with excess energy flowing back into TECO's system. Under TECO's amended petition, SPS customers will be compensated for all electricity exported to TECO's system. The rate paid for this SPS export is equal to 90% of the per-kWh premium included in TECO's Pilot Green Energy Rate Rider (Tariff Sheet No. 6.400), a Commission-approved green pricing program. Currently, the Green Energy Rate Rider pays a 10¢/kWh premium for green energy. Therefore, SPS customers will be paid 9¢/kWh for energy sold to TECO.

The amounts paid by TECO to SPS customers will be offset by revenues collected through the Green Energy Rate Rider. The provision for TECO paying for SPS energy has satisfied LEAF's concern with TECO's original petition, which did not allow for net metering or include any payment for energy flowing from SPS equipment back into TECO's system.

The Commission staff is currently developing a rule to establish the electric requirements for small photovoltaic systems requesting interconnection and parallel operation with an investor-owned utility (Docket No. 990538-EI). TECO's proposed SPS agreement is substantially the same as the Commission staff's draft rule. However, this rule has not yet come before the Commission to be proposed.

TECO's proposed SPS agreement is a reasonable attempt to set out the technical and operational requirements for interconnecting customer-owned SPS systems. Staff recommends that the Commission grant TECO's petition for approval.

DOCKET NO. 000758-EQ
DATE: October 5, 2000

ISSUE 2: What is the appropriate effective date for TECO's proposed agreement?

RECOMMENDATION: The appropriate effective date for the agreement is October 17, 2000. (Springer)

STAFF ANALYSIS: If the Commission approves the proposed agreement at its October 17, 2000, Agenda Conference, it should become effective on that date.

ISSUE 3: Should this docket be closed?

RECOMMENDATION: Yes, if no protest is filed within 21 days of the issuance of the order. (Stern)

STAFF ANALYSIS: If a protest is filed within 21 days of the Commission order approving this tariff, the tariff should remain in effect pending resolution of the protest, with any charges held subject to refund pending resolution of the protest. If no protest is filed, this docket should be closed upon the issuance of the Consummating Order.