

June 6, 2014

VIA E-FILING

Carlotta S. Stauffer
Director, Office of Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

Re: Docket Nos. 130199-EI, 130200-EI, 130201-EI and 130202-EI

Dear Ms. Stauffer:

I have enclosed the Environmental Defense Fund's Amended Prehearing Statement to be filed in the above-referenced dockets. Should you have any questions regarding this filing, please contact me at (513) 226-9558.

Very truly yours,

s/John Finnigan

John Finnigan
Lead Counsel
Clean Energy Program
Environmental Defense Fund
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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Commission Review of Numeric) DOCKET NO. 130199-EI
Conservation Goals)
Florida Power & Light Company)
_____)

In re: Commission Review of Numeric) DOCKET NO. 130200-EI
Conservation Goals)
Duke Energy Florida, Inc.)
_____)

In re: Commission Review of Numeric) DOCKET NO. 130201-EI
Conservation Goals)
Tampa Electric Company)
_____)

In re: Commission Review of Numeric) DOCKET NO. 130202-EI
Conservation Goals)
Gulf Power Company)
_____)

**AMENDED PREHEARING STATEMENT OF
ENVIRONMENTAL DEFENSE FUND**

Pursuant to the Commission’s Order Consolidating Dockets and Establishing Procedure filed on August 19, 2013, the Environmental Defense Fund (EDF) files the following Amended Prehearing Statement:

1. Witnesses and subject matter of witness' testimony

EDF will present one witness – James Fine. He will make recommendations relating to the decision analyses used by the Commission in setting goals for the Florida Energy Efficiency and Conservation Act (FEECA). His testimony will focus in particular on the utilities’

distributed solar photovoltaic (PV) programs. He will testify that the continuation of these programs is good policy for Florida, and give supporting reasons for this conclusion. He will also recommend that the Commission should hire an independent expert to supervise a “value of solar” analysis, which examines all of the costs and benefits attributable to distributed solar PV programs, and use the resulting analysis in reviewing the utilities’ programs.

2. Description of all exhibits and other exhibits for direct case and sponsoring witness.

James Fine is the sponsoring witness for all of EDF’s exhibits for its direct case. He will sponsor the following exhibits:

Exhibit 1 – (Attachment JF-1) - *Analysis of the Impact of The President’s Climate Action Plan on the Cost of Electricity in Florida* (September 25, 2013) presented to the National Association of Regulatory Utility Commissioners (referenced at page 12 of his pre-filed testimony).

Exhibit 2 – (Attachment JF-2) – Elizabeth Stanton & Frank Ackerman, *Florida and Climate Change: The Costs of Inaction* (November 2007) (referenced at page 12 of his pre-filed testimony).

Exhibit 3 – (Attachment JF-3) - *A Review of Solar PV Benefit and Cost Studies*, Electricity Innovation Lab, Rocky Mountain Institute (April 2013). (referenced at page 24 of his pre-filed testimony).

Exhibit 4 – (Attachment JF-4) - *Minnesota Value of Solar: Methodology*, Minnesota Department of Commerce, Division of Energy Resources (April 1, 2014) (referenced at page 24 of his pre-filed testimony).

Exhibit 5 – (Attachment JF-5) – Testimony of Duke Energy Carolinas witness Owen Smith in North Carolina Docket No. E-7, Sub 856 (referenced at page 26 of his pre-filed testimony).

3 Statement of the party's basic position in the proceeding.

EDF’s basic recommendation is that the Commission should continue the distributed solar PV programs for the utilities. EDF recommends that the Commission hire an independent expert to perform a “value of solar” analysis to be used in evaluating the cost-effectiveness of the distributed solar PV programs. EDF also recommends that the utilities use a more realistic

number for the cost of compliance with carbon dioxide emission rules. Finally, EDF makes several recommendations for the Commission to consider regarding how the distributed solar PV programs could be operated in a more cost-effective manner.

4. Questions of fact, law and policy and the party's position on each issue

Based on the Commission's *Order Establishing Issues List* issued in these proceedings on April 4, 2014, EDF will address the following issues, and its positions are set forth below:

Issue #3 – Do the Company's proposed goals adequately reflect the costs and benefits to the general body of rate payers as a whole, including utility incentives and participant contributions pursuant to Section 366.82(3)(b), F.S.?

EDF contends that the values the utilities used for carbon dioxide compliance costs in their modeling may be too low, such that the Companies' proposed goals for their demand-side management programs may not fully reflect the costs ratepayers incur for traditional generation. Also, EDF contends that using a two-year payback period for the Solar Pilot Programs does not adequately reflect the benefits to the general body of ratepayers as a whole. Finally, EDF contends that the state of Florida will be able to use the energy savings from the distributed solar PV program as a compliance tool for section 111(d) of the Clean Air Act, and that the Companies' goals for the Solar Pilot Program fail to reflect this benefit.

Issue #4 – Do the Company's proposed goals adequately reflect the need for incentives to promote both customer-owned and utility-owned energy efficiency and demand-side renewable energy systems, pursuant to Section 366.82, F.S.?

The Companies' proposed to end the Solar Pilot Programs. EDF contends that the Companies have failed to adequately reflect the need for incentives for these programs. However, the incentives could be restructured to offer a lower customer incentive and thereby improve cost-effectiveness.

Issue # 5 – Do the Company's proposed goals adequately reflect the costs imposed by state and federal regulations on the emission of greenhouse gases, pursuant to Section 366.82(3)(d), F.S.?

EDF contends that the Companies' proposed goals do not adequately reflect the costs imposed by state and federal regulations on the emission of greenhouse gases, pursuant to Section 366.82(3)(d), F.S., based on, among other things, Attachment JF-1 to EDF witness Jamie Fine's pre-filed testimony and based on the new proposed regulations issued recently by the U.S. EPA for regulating emissions from existing fossil fuel plants.

Issue #11 – Should the Company's existing Solar Pilot Programs be extended and, if so, should any modifications be made to them?

EDF contends that the Commission should extend the existing Solar Pilot Programs with some modifications. The Companies' testimony established that the cost for these programs declined dramatically during the short time period the programs were in effect. This alone warrants further study to determine whether the Companies can continue to improve the cost-effectiveness of these programs. EDF will advocate for continuing these programs because it would give the state of Florida more flexibility in complying with the EPA's new proposed regulations for greenhouse gas emissions from fossil fuel plants, and perhaps may be less costly than other compliance options. EDF will also advocate that continuing these programs is also consistent with Florida's energy policies. EDF also contends that the cost-effectiveness of the distributed solar PV program could be improved by implementing competitive bidding; experimenting with lower customer incentives; using a longer payback period to measure cost-effectiveness; implementing a utility on-bill repayment program to reduce up-front financing costs and thereby offset lower customer incentive payments; and using a valuation method which truly reflects the costs and benefits of distributed PV solar.

Finally, EDF will advocate for the Commission to hire an independent expert to perform a “value of solar” analysis to determine the scope of distributed solar PV’s full costs and benefits. EDF believes that this would allow owners of distributed energy resources to receive revenues for all of the benefits these resources provide. This would also allow demand-side management programs to more fully reflect the costs and benefits of the distributed solar PV installations.

5. Statement of issues to which the parties have stipulated.

None.

6. Statement of all pending motions or other matters the party seeks action upon;

None.

7. Statement identifying the party's pending requests or claims for confidentiality.

None.

8. Objections to a witness' qualifications as an expert.

None.

9. Statement as to any requirement set forth in this order that cannot be complied with, and the reasons therefore.

None.

RESPECTFULLY SUBMITTED this 6th day of June, 2014

s/John Finnigan

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CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true copy and correct copy of the foregoing was served on this 6th day of June, 2014, via electronic mail on:

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