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September 12, 2007

Mr. Mark Futrell  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, Florida 32399-0850

Dear Mr. Futrell:

At the Renewable Portfolio Standards (RPS) workshop held August 23, 2007, Commission staff invited interested parties to submit comments related to the consideration of an RPS in Florida. Pursuant to that invitation, attached please find the combined Post-Workshop Comments of Gulf Power Company, Tampa Electric Company, Progress Energy Florida, and Florida Power & Light.

Thank you for the opportunity to participate in this process. Please let me know if you have any questions.

Sincerely,



Susan F. Clark

cc: Judy Harlow  
Bob Trapp  
Martha Brown

Attachment: Post-Workshop Comments of the Investor-Owned Utilities

## **August 23, 2007, Renewable Portfolio Standards Workshop**

### **Post-Workshop Comments of the Investor-Owned Utilities**

Florida's four investor-owned utilities (IOUs) – Gulf Power Company (Gulf), Tampa Electric Company (Tampa Electric), Progress Energy Florida (Progress), and Florida Power & Light Company (FPL) – together submit these Post-Workshop Comments. The IOUs appreciate the opportunity to provide input into the consideration of a Renewable Portfolio Standard (RPS). As evidenced by comments provided by various participants at the August 23, 2007, workshop, more education, information and analysis is required to ensure the effective, optimal design and implementation of renewable energy targets in Florida.

As an initial matter, the objectives motivating renewable energy targets in Florida must be carefully considered and analyzed, and clearly defined. Section 366.92, Florida Statutes, provides the Florida Public Service Commission (Commission) with the authority to set renewable energy goals and describes the public purpose in establishing goals in terms of developing renewable energy, providing fuel diversity, reducing dependence on natural gas and fuel oil, minimizing fuel cost volatility, encouraging investment in the state, improving environmental conditions, and, at the same time, minimizing costs. The Governor's Executive Order 07-127, in relevant parts, calls for the reduction of greenhouse gas (GHG) emissions by a specific timeframe and separately requests the establishment of a 20% RPS with a strong focus on solar and wind energy. These calls to action require that multiple considerations be addressed that would affect the level of renewable energy targets and the structure used to implement such targets. Therefore, the Commission must first clearly define the objectives of any renewable

energy targets for Florida and how those objectives can most cost-effectively be achieved within the parameters of the Commission's jurisdiction before addressing the level of any renewable energy targets or the structure of those targets.

The Commission has shown an interest in holding workshops designed to educate and inform participants on various topics relevant to the objectives, structure and timing of renewable energy targets in the state. The IOUs believe such workshops would be beneficial and suggest the following topics:

- Objectives to be achieved by renewable energy targets in Florida. Are they related solely to reducing emissions of GHG? Are they focused on multiple objectives, including reducing GHG, such as fuel security, fuel diversity, technology advancement, etc.?
- Availability of renewable resources in Florida, including an update of the 2003 "Assessment of Renewable Generating Technologies for Florida" and any information on other renewable energy and clean energy resources that could be developed in Florida and in what timeframe.
- Current and projected development, implementation and operating costs of renewable energy and clean energy resources in Florida and their relative effectiveness in reducing GHG and in meeting other previously determined objectives.
- Analysis of the impact a Florida renewable energy target, or the alternative types of technologies, sources, and designs that could be included in it, may have on electric customers' rates and bills.
- Renewable Energy Credits (RECs); how they fit into a renewable energy target structure and how they are created, tracked and traded.

Nonetheless, as the Commission evaluates the efficacy, structure and implementation of renewable energy targets in Florida, the IOUs recommend the following principles guide the Commission:

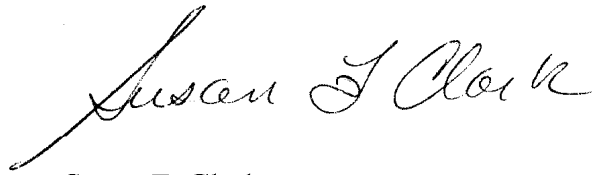
- Florida renewable energy targets should be realistic based on an analysis of the availability of renewable resources in the state. The structure for implementing those targets should include appropriate safety valves to address affordability should cost estimates prove incorrect.
- Florida renewable energy targets should foremost value clean energy resources within the state and not unreasonably limit the types of

technologies and fuel sources that can be employed to meet the targets if they serve to achieve the objectives behind the targets.

- Florida renewable energy targets should be met equally by all the state's electric utilities.
- Incremental costs attributable to meeting Florida renewable energy targets should be identified on electric bills so customers can understand their contribution to meeting those targets.

The IOUs welcome the opportunity to actively participate in the Commission's efforts to evaluate the use of renewable energy targets in promoting renewable energy use in Florida, and look forward to the opportunity to further discuss issues relevant to this at the next workshop scheduled for September 27, 2007.

Respectfully submitted,

A handwritten signature in cursive script that reads "Susan F. Clark". The signature is written in black ink and is positioned above the printed name.

Susan F. Clark