

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: June 28, 2023

TO: Office of Commission Clerk (Teitzman)

FROM: Division of Economics (Main, Barrett, Hampson) *JGH*
Office of the General Counsel (Stiller) *JSC*

RE: Docket No. 20230072-EI – Petition for approval of shared solar tariff change, by Tampa Electric Company.

AGENDA: 07/11/23 – Regular Agenda –Tariff Suspension – Participation is at the discretion of the Commission

COMMISSIONERS ASSIGNED: All Commissioners

PREHEARING OFFICER: Administrative

CRITICAL DATES: 07/30/23 (60-Day Suspension Date)

SPECIAL INSTRUCTIONS: None

Case Background

On May 31, 2023, Tampa Electric Company (TECO or utility) filed a petition for approval of changes to the tariffs to its Shared Solar Rider (SSR-1 tariff or tariff). The provisions of the SSR-1 tariff are marketed by TECO as the “Sun Select” program. In its current form, the tariff offers residential and commercial customers the option to purchase all or a portion of their monthly energy consumption from solar generation. Residential and small commercial customers are able to purchase solar energy on a basis of 25, 50, or 100 percent of their monthly energy usage. Large commercial customers are able to purchase energy in 1,000 kilowatt-hour (kWh) blocks. The SSR-1 tariff was approved in June 2019.¹

¹ Order No. PSC-2019-0215-TRF-EI, issued June 3, 2019, in Docket No. 20180204-EI, *In re: Petition for approval of shared solar tariff, by Tampa Electric Company.*

The SSR-1 tariff operates based on an allocation of 17.5 megawatts (MWs) from the Company's Lake Hancock solar facility. Participants in the program pay their normal tariff charges, with the exception of the fuel charge, plus an additional \$0.063 per kWh program charge on the percentage of energy subscribed under the SSR-1 tariff. All normal charges apply to the percentage of energy consumed outside of the SSR-1 tariff. TECO launched the program on a first-come, first-served basis, and did not reserve any allocation of energy to particular customer classes. As of the filing of the Petition, the Sun Select program is approximately 35 percent subscribed and has experienced a 44 percent churn rate.

In its petition, TECO seeks approval of several modifications designed to increase participation in the Sun Select program and allow the utility to learn more about customer adoption of community solar programs and customer desire to reach decarbonization goals. First, the utility seeks to increase the participation cap from 17.5 MWs to 30 MWs. Second, the utility proposes a reduction in the program charge from \$0.063 per kWh to \$0.049 per kWh. The proposed rate change is the result of several changes to TECO's pricing model for this program as described in the petition. TECO also proposes to use 100 percent of expected annual energy output from the solar facilities for program subscriptions, as opposed to the currently-approved 95 percent of annual energy output. Finally, TECO proposes to change the term "Monthly Rate" to "Rate."

This recommendation is to suspend the proposed tariff, thus allowing staff sufficient time to review the proposed modifications, and gather all pertinent information in order to present the Commission with an informed recommendation on the tariff proposals

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 TECO's proposed Shared Solar Rider tariffs be suspended?

Recommendation: Yes. Staff recommends that the tariffs be suspended to allow staff sufficient time to review the petition and gather all pertinent information in order to present the Commission with an informed recommendation on the tariff proposals. (Main)

Staff Analysis: Staff recommends that the tariffs be suspended to allow staff sufficient time to review the petition and gather all pertinent information in order to present the Commission with an informed recommendation on the tariff proposals.

Pursuant to Section 366.06(3), F.S., the Commission may withhold consent to the operation of all or any portion of a new rate schedule, delivering to the utility requesting such a change a reason or written statement of good cause for doing so within 60 days. Staff believes that the reason stated above is a good cause consistent with the requirement of Section 366.06(3), F.S.

Issue 2: Should this docket be closed?

Recommendation: This docket should remain open pending the Commission's decision on the proposed tariffs. (Stiller)

Staff Analysis: This docket should remain open pending the Commission's decision on the proposed tariffs.