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May 31, 2023

VIA: ELECTRONIC FILING

Mr. Adam J. Teitzman
Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

Re: Petition for Approval of Shared Solar Tariff Change by Tampa Electric Company

Dear Mr. Teitzman:

Attached for filing in the above-styled matter is Tampa Electric Company's Petition for Approval of Shared Solar Tariff Change.

Thank you for your assistance in connection with this matter.

Sincerely,

A handwritten signature in blue ink that reads 'Malcolm N. Means'.

Malcolm N. Means

MNM/bml
Attachment

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition of Tampa Electric Company)
for Approval of Shared Solar Rider)
Capacity and Rate)
_____)

DOCKET NO. _____

FILED: May 31, 2023

**TAMPA ELECTRIC COMPANY’S PETITION
FOR APPROVAL OF SHARED SOLAR TARIFF CHANGE**

Tampa Electric Company (“Tampa Electric” or “the company”), pursuant to Section 366.04, Florida Statutes, petitions the Florida Public Service Commission (“the Commission”) for approval of an increase to program participation capacity and a reduction to the rate for the company’s Shared Solar Rider. As grounds therefor, the company says:

1. The name, address, telephone number and facsimile number of the petitioner are:

Tampa Electric Company
Post Office Box 111
Tampa, FL 33601
(813) 228-4111+9
(813) 228-1770 (fax)

2. Tampa Electric is a Florida corporation and a wholly owned subsidiary of TECO Energy, Inc., which is a wholly owned subsidiary of Emera Incorporated. The company is an investor-owned public utility operating under the jurisdiction of the Commission, pursuant to Chapter 366, Florida Statutes.

3. Tampa Electric provides retail service to over 810,000 customers in a 2,000 square mile service territory in Hillsborough and portions of Polk, Pasco, and Pinellas counties, Florida. Tampa Electric and its approximately 2,400 employees are focused on safety, providing cleaner and greener energy for its communities, and making it easier for its customers to do business with the company – when and where they want.

4. This Petition represents an original pleading and is not filed in response to any proposed action by the Commission. Accordingly, the company is not responding to any proposed agency action.

5. Tampa Electric requests that this Petition be reviewed and processed under the Commission's proposed agency action procedure.

6. All notices, pleadings and correspondence required to be served on the Petitioner should be directed to:

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Paula Brown, Manager
regdept@tecoenergy.com
Regulatory Coordination
Tampa Electric Company
Post Office Box 111
Tampa, FL 33602
(813) 228-1444
(813) 228-1770 (fax)

ULTIMATE FACTS ALLEGED

7. The ultimate facts that entitle Tampa Electric to the relief requested herein are the facts set forth in paragraphs 2-3 and in the paragraphs below:

Background – Shared Solar Tariff

8. On June 3, 2019, the Commission entered Order No. PSC-2019-0215-TRF-EI¹ approving the company's Shared Solar Rider Tariff ("SSR-1 Tariff"), now set forth in Tampa Electric's tariff at Sheet No. 3.300 and Sheet No. 3.305. The SSR-1 tariff became effective on June 25, 2019.

¹ See also Order No. PSC-2019-0266-CO-EI, issued July 1, 2019 in Docket No. 20180204-EI (consummating order).

9. The SSR-1 tariff provides residential and commercial customers with the option to purchase energy produced from Tampa Electric's Lake Hancock solar generation facility to replace all or a portion of their monthly energy consumption. This tariff offering is known to customers as the "Sun Select Program."

10. Tampa Electric dedicated approximately 17.5 megawatts ("MW") of generating capacity from the Lake Hancock solar facility to the Sun Select Program. As a result, program participation was initially capped at 17.5 MW. When that cap is reached, SSR-1 will be closed to new customers until current participants drop off and energy for SSR-1 becomes available again.

11. Participants in Sun Select pay their normal tariff charges, except for the fuel charge, plus an additional SSR-1 energy charge of \$0.063 per kilowatt-hour ("kWh").

12. On July 19, 2019, Tampa Electric filed a petition seeking approval of a modification of the SSR-1 program to allow customers enrolled in the budget billing program to participate. The Commission entered an order approving this change. *See* Order No. PSC-2019-0446-TRF-EI on October 23, 2019 in Docket No. 20190144-EI.

Requested Change to Shared Solar Program

13. As of the filing of this Petition, the Sun Select Program is only 35 percent subscribed. The company has also experienced a 44 percent churn rate for the program; meaning 44 percent of participants ultimately drop from the program. Approximately 51 percent of the customers de-enrolling from the program cite high participation costs as their reason for exiting. *See Exhibit A ("Sun Select De-Enrollment Reasons").*

14. Tampa Electric remains committed to offering customers green energy options, including the Sun Select Program. As a result, the company reevaluated the SSR-1 tariff pricing model, which resulted in the program being more affordable for customers who want to participate.

15. Through this Petition, Tampa Electric seeks approval of a tariff sheet instituting an increase to the participation cap from 17.5 MW to 30 MW and a reduction to the SSR-1 monthly rate (“Monthly Rate”) from \$0.063 per kWh to \$0.049 per kWh, or a reduction of \$0.014 per kWh, for all current and future program participants. Tampa Electric also requests to rename the “Monthly Rate” to “Rate” as the company believes “Monthly Rate” implies a flat fee.

16. Tampa Electric believes an increase in available participation capacity is appropriate because a more competitive price point, additional solar assets, and Tampa Electric’s promotion of green energy options will lead to additional participation in the Sun Select Program. These changes will also allow Tampa Electric to learn more about customer adoption of community solar programs and customers’ desire to reach decarbonization goals.

17. Tampa Electric made several changes to the pricing model to arrive at the requested rate of \$0.049 per kWh. These include: (1) use of the company’s entire portfolio of solar generation assets; (2) an increase in the life of solar assets; (3) the inclusion of the value of renewable power; and (4) use of a “Marginal Cost of Service” approach to calculating the rate.

18. The company’s first proposed change to the pricing model is to base the price on Tampa Electric’s entire solar generation portfolio. The current Monthly Rate is based on the use of the company’s Lake Hancock solar facility, which at the time of the company’s original petition for the SSR-1 tariff was the company’s highest cost Solar Base Rate Adjustment (“SoBRA”) unit under construction. The current Monthly Rate is also based on the portion of the Lake Hancock unit excluded from recovery through the SoBRA due to SoBRA capacity limits. This pricing model utilizes Tampa Electric’s entire solar fleet, which has a lower average cost per kW than Lake Hancock, thus putting downward pressure on the rate. Additionally, utilizing a portfolio approach removes the need for a 5% buffer which originally resulted in the program having a 95% expected annual energy output.

19. The reevaluated pricing model also utilizes a longer life for solar assets. The current Monthly Rate is based on a 30-year life for calculating depreciation rates and expenses of solar assets. In Order No. PSC-2021-0423-S-EI, the Commission approved a stipulation and settlement agreement that resolved Tampa Electric’s last general base rate case (the “2021 Agreement”). In the 2021 Agreement, Tampa Electric agreed to extend the life of solar assets to 35 years for depreciation purposes. Tampa Electric proposes to use this Commission-approved 35-year life in calculating the new rate. This change puts additional downward pressure on the rate.

20. Finally, the company’s reevaluated pricing model uses a “Marginal Cost of Service” approach. Under this approach, the company first determines which costs should be avoided by Sun Select participants. Tampa Electric then adds in the incremental costs to serve Sun Select customers and repackages the unbundled costs to determine a cost-reflective new rate. Some of these changes put upward pressure on the rate, while others result in downward pressure. This is illustrated in **Exhibit B (“Waterfall Chart”)**. The net impact of the unbundling and repackaging process was downward pressure on the rate. The Marginal Cost of Service approach is described in greater detail below.

21. The first step in the Marginal Cost of Service approach is to unbundle costs, which is equivalent to the functionalization of costs into their major operating functions. The categories of costs include:

- a. Energy (Fuel) Costs – Fuel costs related to generating incremental kWh, often referred to as System Lambda.
- b. Generation Capacity Costs – Expected costs related to construction and continued operations and maintenance of generation plant.
- c. Transmission Capacity Costs – Costs related to construction and continued operations and maintenance of transmission assets.

- d. Distribution Capacity Costs – Costs related to construction and continued operations and maintenance of distribution assets.
- e. Customer Costs – Costs related to connecting, billing, and serving customers.

22. The second step in the Marginal Cost of Service approach is to determine the marginal costs to supply incremental load. The primary reason for examining marginal costs is to enable the design of cost-reflective rates. Cost-reflective rates represent the true cost of supplying electricity. These categories of costs include:

- a. Marginal Energy Costs – Marginal Energy Costs are those incremental costs of generating an additional kWh. Tampa Electric conducts marginal energy cost studies by dispatching the company’s fleet against hourly load forecasts and considering generation fuel costs.
- b. Marginal Generation Capacity Costs – represent the marginal costs to provide an additional kW of generation capacity, which is visible in Tampa Electric’s Ten-Year Site Plan.
- c. Marginal Transmission Capacity Costs – these costs are computed as the costs to build additional transmission capacity either through upgrades to existing transmission assets or constructing new assets.
- d. Marginal Distribution Capacity Costs – these costs are computed by taking the incremental cost to upgrade feeders, feeder banks and substations.
- e. Marginal Customer Costs – these costs are computed by estimating the incremental costs of a service transformer, the transformer line drop and a meter.

23. The final step in the Marginal Cost of Service Approach is to use the company’s capital structure, asset costs, load profiles and projected generation kWh, program costs, and marginal costs to build the rate. Tampa Electric’s SSR-1 Rate is the weighted average by rate class

of the summation of Supply Costs, Load Following Costs, Excess Generation Credit, Capacity Credit, and a Renewable Generation Fee. These components are defined as:

- f. Supply Costs – The levelized rate on a per kWh basis derived from Tampa Electric’s capital structure, projected kWh generation to meet customer load plus losses, and costs associated to Tampa Electric’s portfolio of solar assets. Tampa Electric has included the weighted average of distribution and transmission losses based on the composition of participants.
- g. Program Costs – Costs associated to the administration of the Sun Select program.
- h. Load Following Costs – This is the costs of ‘filling in’ when Sun Select customers are using energy, but the portfolio of solar assets is not producing. There are hours when customers consume (e.g., 9pm), but the solar assets are not generating. During that hour, Tampa Electric must use its ‘non-renewable’ portfolio or the market to meet that energy demand and thus the customer pays the system lambda for that energy during that hour. Load Following Costs are derived from Marginal Energy Costs and Marginal Generation Capacity Cost.
- i. Excess Generation Credit – A Sun Select customer pays to build and operate a plant based upon their demand share. However, a Sun Select customer may not always be using energy from the plant. When the Sun Select customer’s load is lower than the generation of the plant, a credit is applied and valued at the Marginal Energy Costs and Marginal Generation Capacity Costs for the hours in which excess generation is available.
- j. Capacity Credit – A credit applied for the Marginal Generation Capacity Costs. The participant is helping avoid these costs by specifically receiving energy from the renewable fleet and paying for the full costs for that fleet. These avoided costs

are included in the Sun Select customer's energy and/or demand base rates; therefore, a credit is applied to offset the Monthly Rate.

- k. Renewable Generation Value – The inclusion of the long-term value of green energy.

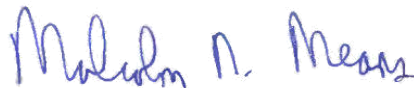
24. Tampa Electric remains committed to offering customers green energy options. For that reason and the reasons described above, Tampa Electric requests to increase the available participation capacity of the Sun Select program from 17.5 MW to 30 MW and reduce the rate from \$0.063 per kWh to \$0.049 per kWh.

25. Attached hereto as Exhibit C and Exhibit D are legislative format and “clean” versions of Proposed Sheet No. 3.300 and Sheet No. 3.305 containing the requested tariff changes.

WHEREFORE, Tampa Electric respectfully requests that the Commission approve the proposed new Shared Solar Rider tariff set forth in Exhibits C and D to this Petition.

DATED this 31st day of May, 2023.

Respectfully submitted,



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ATTORNEYS FOR TAMPA ELECTRIC COMPANY

EXHIBIT "A"

Sun Select De-enrollment Reasons

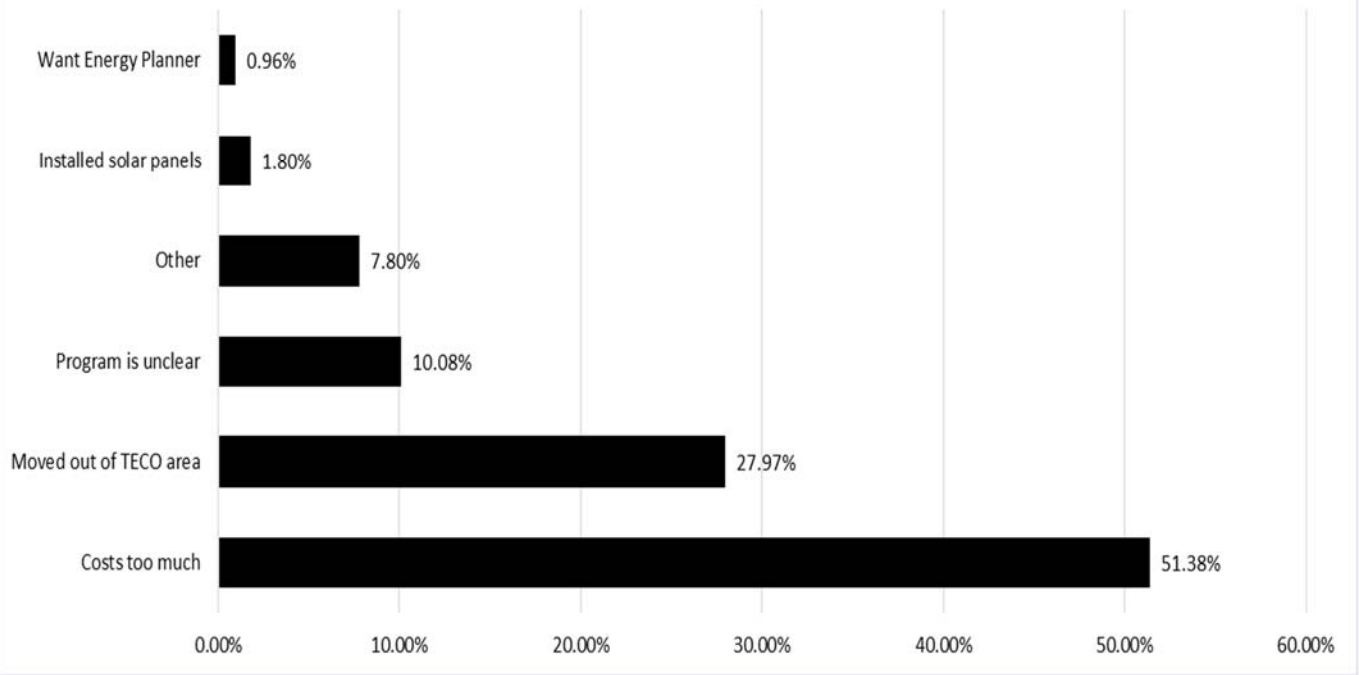


EXHIBIT "B"

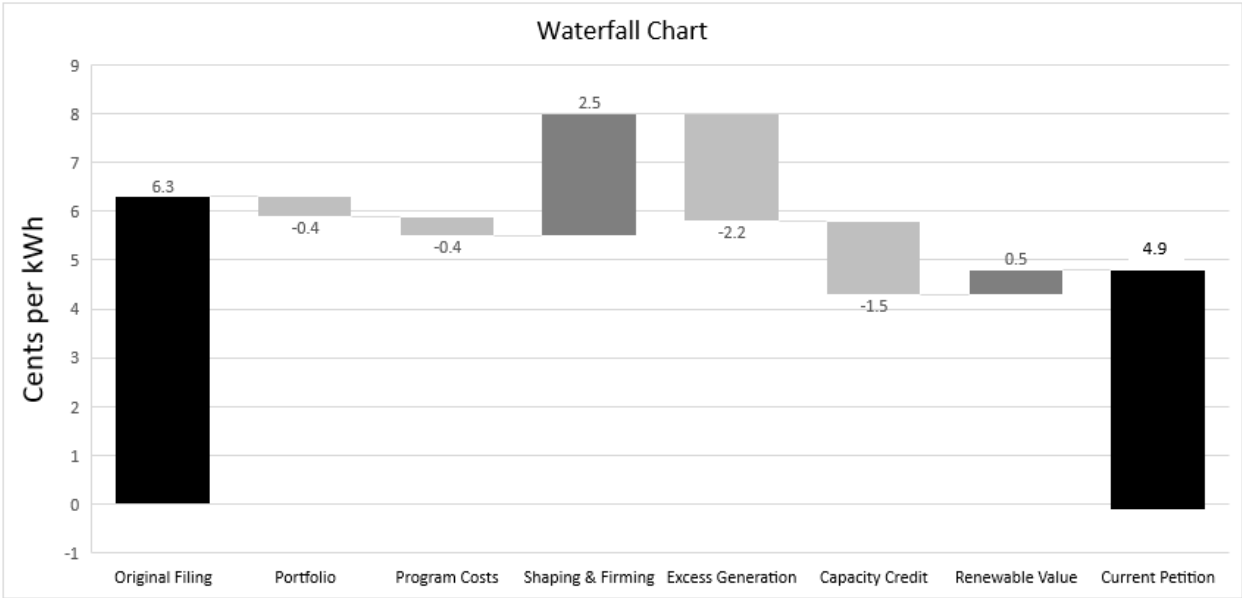


EXHIBIT "C"



SHARED SOLAR RIDER

SCHEDULE: SSR – 1

AVAILABLE: At the option of the customer, available to residential, commercial and industrial customers per device (non-totalized or totalized electric meter) on rate schedules RS, GS, GSD, GSLDPR and GSLDSU on a first come, first served basis subject to subscription availability. Not available to customers who take service under NM-1, RSVP-1, any standby service or time of use rate schedule. Subscription availability will be dependent on availability of ~~the~~ Shared Solar capacity ~~facility~~. Customers who apply when availability is closed will be placed on a waiting list until Shared Solar capacity becomes available. The Shared Solar facility will be for ~~3047.5~~ MWac* capacity and full subscription will be when 100~~95~~% of expected annual energy output has been subscribed.

APPLICABLE: Applicable, upon request, to eligible customers in conjunction with their standard rates and availability of service subject to subscription availability.

CHARACTER OF SERVICE: Shared Solar - 1 (SSR-1) enables customers to purchase monthly energy produced from Company-owned solar facilities for a selected percentage of that month's billed kWh. For RS and GS, individual subscriptions will be measured as a percentage of the monthly energy consumption as selected by the customer: 25%, 50% or 100% rounded up to the next highest kWh. For GSD, GSLDPR and GSLDSU, a fixed kWh subscription in 1,000 kWh blocks will be identified by the customer not to exceed their average monthly kWh consumption for the previous 12-months at the time of subscription.

MONTHLY RATE: ~~\$0.04963~~ per kWh for monthly energy consumption.

The ~~monthly~~ SSR-1 rate, multiplied by the monthly energy consumption selected by the customer, will be charged to the customer in addition to the customer's normal cost of electricity pursuant to their RS, GS, GSD, GSLDPR and GSLDSU tariff charges applied to their entire monthly billing determinants, with the exception of the Fuel Charge, which is normally billed under the applicable tariff. Tampa Electric will seek to maintain the SSR-1 energy rate at \$0.063 per kWh or lower until January 1, 2048, however the SSR-1 energy rate will remain subject to change by order of the Florida Public Service Commission.

Under SSR-1, the Fuel Charge for the applicable RS, GS, GSD, GSLDPR and GSLDSU tariff, for the monthly energy percentage or blocks selected by the customer, will be billed at a rate of \$0.00 per kWh provided under this rider. The Fuel Charge applies to the remainder of the monthly billing determinates.

Continued to Sheet No. 3.305



Continued from Sheet No. 3.300

TERM OF SERVICE: Subscription to the SSR-1 Rider will be for a period of one (1) month. The subscription will automatically renew on a month-to-month basis, until the customer provides notice of cancellation. After cancellation request is received, subscription will be removed from account within two billing cycles.

Requests to rejoin the SSR-1 Rider after previous cancellation may be subject to price changes and subscription availability. Participating customers who relocate to another Tampa Electric Company metered residence may transfer their subscription to the new premises. A participating customer cannot transfer their rights under this Rider to another customer.

State or Federal Legislation Opt-Out Clause: If State or Federal laws are instituted requiring Tampa Electric to provide renewable energy to all customers on some basis, the Company reserves the right to cancel all contracts and sales through this tariff without penalty.

SPECIAL PROVISIONS:

1. The bill calculated under this tariff is subject to change in such an amount as may be approved and/or amended by the Florida Public Service Commission.
2. Service hereunder is subject to the Rules and Regulations for Electric Service on file with the Florida Public Service Commission.
3. Billing will begin with the first billing cycle of the month following the month service under this Rider has been granted to the SSR-1 customer. Billing will cease should the Shared Solar facility utilized for service under this Rider cease operation for any reason or if the Opt-Out Clause listed above is enforced by Tampa Electric.
4. No charges made under this Rider in prior months will be refunded or adjusted if service under this Rider is discontinued for any reason.
5. The cCompany will retain ownership of the Renewable Energy Credits (RECs) and retire on behalf of the customer, all other environmental attributes including but not limited to carbon emission reduction credits, which will not be otherwise sold by the Company. Customers may request to have RECs deposited into a designated account at their own expense.
6. The company will retain ownership of all other environmental attributes including, but not limited to, carbon emission reduction credits, which will not be otherwise sold by the Company.

EXHIBIT "D"

SHARED SOLAR RIDER

SCHEDULE: SSR – 1

AVAILABLE: At the option of the customer, available to residential, commercial and industrial customers per device (non-totalized or totalized electric meter) on rate schedules RS, GS, GSD, GSLDPR and GSLDSU on a first come, first served basis subject to subscription availability. Not available to customers who take service under NM-1, RSVP-1, any standby service or time of use rate schedule. Subscription availability will be dependent on availability of Shared Solar capacity. Customers who apply when availability is closed will be placed on a waiting list until Shared Solar capacity becomes available. The Shared Solar facility will be for 30 MWac* capacity and full subscription will be when 100% of expected annual energy output has been subscribed.

APPLICABLE: Applicable, upon request, to eligible customers in conjunction with their standard rates and availability of service subject to subscription availability.

CHARACTER OF SERVICE: Shared Solar - 1 (SSR-1) enables customers to purchase monthly energy produced from Company-owned solar facilities for a selected percentage of that month's billed kWh. For RS and GS, individual subscriptions will be measured as a percentage of the monthly energy consumption as selected by the customer: 25%, 50% or 100% rounded up to the next highest kWh. For GSD, GSLDPR and GSLDSU, a fixed kWh subscription in 1,000 kWh blocks will be identified by the customer not to exceed their average monthly kWh consumption for the previous 12-months at the time of subscription.

RATE: \$0.049 per kWh for monthly energy consumption.

The SSR-1 rate, multiplied by the monthly energy consumption selected by the customer, will be charged to the customer in addition to the customer's normal cost of electricity pursuant to their RS, GS, GSD, GSLDPR and GSLDSU tariff charges applied to their entire monthly billing determinants, with the exception of the Fuel Charge, which is normally billed under the applicable tariff. Tampa Electric will seek to maintain the SSR-1 energy rate at \$0.063 per kWh or lower until January 1, 2048, however the SSR-1 energy rate will remain subject to change by order of the Florida Public Service Commission.

Under SSR-1, the Fuel Charge for the applicable RS, GS, GSD, GSLDPR and GSLDSU tariff, for the monthly energy percentage or blocks selected by the customer, will be billed at a rate of \$0.00 per kWh provided under this rider. The Fuel Charge applies to the remainder of the monthly billing determinates.

Continued to Sheet No. 3.305

Continued from Sheet No. 3.300

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SPECIAL PROVISIONS:

1. The bill calculated under this tariff is subject to change in such an amount as may be approved and/or amended by the Florida Public Service Commission.
2. Service hereunder is subject to the Rules and Regulations for Electric Service on file with the Florida Public Service Commission.
3. Billing will begin with the first billing cycle of the month following the month service under this Rider has been granted to the SSR-1 customer. Billing will cease should the Shared Solar facility utilized for service under this Rider cease operation for any reason or if the Opt-Out Clause listed above is enforced by Tampa Electric.
4. No charges made under this Rider in prior months will be refunded or adjusted if service under this Rider is discontinued for any reason.
5. The company will retain ownership of the Renewable Energy Credits (RECs) and retire on behalf of the customer. Customers may request to have RECs deposited into a designated account at their own expense.
6. The company will retain ownership of all other environmental attributes including, but not limited to, carbon emission reduction credits, which will not be otherwise sold by the Company.