SWFRPC ENERGY & CLIMATE COMMITTEE MEETING
FEBRUARY 20, 2014

The SWFRPC's Energy & Climate Committee held a meeting/conference call on February 20, 2014 at the offices of the Southwest Florida Regional Planning Council. The following members and staff were in attendance:

Committee Members

Ms. Melissa Dickens, SWFWMD
Mr. Phil Flood, SFWMD
Mr. Alan Reynolds, Collier County Governor Appointee

Staff

Ms. Rebekah Harp, Planner II
Ms. Nichole Gwinnett, Administrative Specialist II

Guests

Chad Laurent, Meister Consultants (Part of the Solar Ready II Team)
Patti Whitehead

Item #1 – Welcome and Introductions

In the absence of Committee Chair McCormick, Ms. Dickens called the meeting to order at 12:25 PM.

Item #2 – Approval of Minutes: January 7, 2014

> **A motion was made by Mr. Reynolds to approve the minutes of the January 7, 2014 meeting. The motion was seconded by Mr. Flood and the motion passed unanimously.**

Item #3 – Benefits Related to Solar: Soft Costs

Mr. Laurent gave an overview of Meister Consultants. He also explained the benefits of solar soft costs.

Mr. Reynolds asked how the solar installation and inner-connection process was expedited in Germany compared to the United States, because it was his understanding that Germany's building process took a long time. Mr. Laurent explained that the solar installation and inner-connection process didn't follow the same process as the building permitting process.

Mr. Reynolds asked that because the costs are so much less in Germany, does the power be placed on the grid as retail price of construction. Mr. Laurent said it does and recently it had become cheaper than retail which is changing the market dynamics of all of the electricity markets in Germany. They have basically changed the profile of peak and when peak electricity use is occurring. There is no longer that "peak" in Germany because of all of the solar that has been installed. The peak is now in the morning

and later evening when everyone returns from home from work. It suppressed wholesale market prices to very low levels during the day and wholesale markets are very low due to the PV that has been installed. He also noted that Germany pays more retail electricity prices than the United States because most of it is taxes.

Mr. Reynolds asked Mr. Laurent that based on his experience what would be the best approach. Mr. Laurent explained that a solarized campaign has proven to be very successful. One reason was due to the customer acquisition piece which was one of the larger pieces of the soft costs. Also, because there is relatively a large amount of solar PV systems being approved, permitted and ran through the utilities processes, it helps to bring to life some of the problems and process areas. Customers and solar installers then quickly realized where those processes can be improved. Then there is the development of constituents and stakeholders who are interested in going solar and also interested in saying that the process could have worked better by having faster inner-connection time from the utility or a faster permitting process in-place.

Mr. Reynolds asked Mr. Laurent if he knew of any type of initiatives that either Florida Power and Light (FPL) or Lee County Electric Co-op (LCEC) may offer. Mr. Laurent stated that he didn't know at that time, but it was something that could be researched. He said that they may have some sort of a rebate program which really doesn't reach the soft costs, it reduces the overall costs. Where it may be beneficial to work with a utility in improving their inner-connection processes; however, they may be subject to State utility regulations.

Mr. Reynolds explained that he listened to the webinar held on February 19 and felt it was very informative. What struck him was the lack of understanding and awareness of the issues surrounding solar. He was thinking that there should be the option of tying into a utility provider as a way and means of educating the consumers about what opportunities are available for solar. Mr. Laurent said that is a great idea, because it really is about education and awareness.

Mr. Flood said that he felt that targeting outreach and education would be a good thing.

Discussion ensued.

Ms. Dickens noted that Sarasota County has a sustainability initiative. She then asked Mr. Laurent in his perspective what are the main issues that he feels is holding Florida back from having something closer to what is going on nationally. Also, has he seen specific issues in communities that have dropped Florida. Mr. Laurent explained that a workshop wasn't held in Florida; however, from a State government perspective there isn't the same level of incentives in Florida as there are in other States. The top solar markets in the country have a renewable portfolio standard, meaning that the State requires the utilities to have a certain amount of their electricity come from renewables in general, specifically from solar power. Having a strong RPS in-place is one of keys to drive that market.

Ms. Whitehead stated that one of the questions raised was about the area's local utilities and what structures were in-place to support solar. She noted that FPL does have a metering program in-place and asked Mr. Laurent to explain the difference between a metering program and feed-n-tariff. Also, could he explain what a power purchasing agreement (PPA) is and whether or not it is preferable? If Florida did have a RPS in-place how would this discussion be different?

Mr. Laurent explained that the way a net metering program works is the system is located on the rooftop and the electricity meter would spin either forwards or backwards depending on whether or not the system was producing more electricity than being used; however, most of the meters today are digital. If a solar PV system was producing more electricity than what was being used in the home, the meter would go backwards and putting electricity out on the grid. Then at night when the system isn't producing electricity, the meter would move forward drawing electricity from the power grid. Net metering allows the customer to take credits from the excess electricity that went out to the grid and apply them to the electricity bill to match what was pulled in from the grid at night, essentially zeroing out the electric bill.

The way that a feed-n-tariff works is where the PV system on a roof is directly connected to the utility's power grid and not to the home. The customer would pay their regular electric bill, but then they would receive a check from the utility in the amount of the power that was produced. A feed-n-tariff is usually structured where the price that the utility pays is the cost of the electricity, plus a reasonable return on investment.

The difference in financing of a Power Purchase Agreement (PPA) versus a debt finance system is where a PPA solar provider owns the rooftop system and sells the electricity usually at a discounted rate (10-15%). The benefit is there could be either little or no money down and the customer doesn't own the system so there are no maintenance costs involved. The installer handles all of the maintenance over 20 years. If the customer moves then they would transfer the PPA over to the new homeowner(s). The owner(s) of the system are usually larger nationwide installers who have tax equity investors where they need to give a larger return on investment than what a homeowner requires of their own investment. The discount from a PPA is slightly less than the discount that would be received if they owned the system. If a homeowner financed the system by taking out a loan for a smaller percentage rate and then repaid the loan and received the 20 years of electricity, the overall rate that is being saved from the overall electricity looks a little bit better than a PPA. He said that he felt that it was important to have both options available.

Mr. Laurent explained that if Florida had an RPS would mean that the utilities would be required to obtain a certain amount of their electricity from renewables, ideally a certain amount just from solar. If the utilities don't comply then they would have to pay a fine, so it creates a market for renewable energy certificates providing separate and additional revenue streams for anyone who installs solar on their roof.

Item #4 – Best Management Practices

Ms. Dickens asked how long the best management practices presentation was. Mr. Laurent explained that the in-person workshop would take a couple of the BMPs that the committee would like to prioritize and conduct a half-day or one-day workshop to see what those BMPs look like going through examples and case studies and how they would be implemented within the region. Ms. Dickens asked if the BMPs would be discussed when the full committee was present. Ms. Harp replied yes. Ms. Dickens asked if there were any comments related to the BMPs.

Item #5 – Priority of BMPs in the Region/Workshop

Mr. Laurent referred to Mr. Reynolds question where he asked what would be the best approach and said that he would recommend solarized and under process improvements in making sure that all of the permitting is on-line and the check lists are in-place.

Mr. Reynolds asked Mr. Laurent where if some of the programs were to be implemented, i.e. solarized and expedited permitting, is it feasible to get the costs down to the equivalent of retail or are we still targeting an audience of "true believers" who are willing to spend more than retail compared to doing the right thing. Mr. Laurent explained that in the short-term it probably wasn't realistic. Due to the fact that the number that would be needed to match retail pricing would be too much because retail prices in Florida are fairly low; based on the national average they are less. The more people that have solar on their roof and are the early adopters in the market are more constituents who would support favorable policies either at the local or state level; stating that they went solar and would like other people to do the same. It also increases the industry base in which they could state that they are creating jobs and the local economic development projects need support.

Item #6 – Regional Data Research

This item was deferred to the March 20, 2014 meeting.

Item #7 – Establish Stakeholder Group: Gather List of Invitees

This item was deferred to the March 20, 2014 meeting.

Item #8 – Talking Points Handouts

Ms. Harp asked Mr. Laurent to speak on the distributed handout entitled "Talking Points".

Mr. Laurent explained that some key talking points were compiled when speaking to a specialized audience such as elected officials, solar industry individuals and the utilities. They cover what to keep in mind, what are the important facts to have on-hand and also being able to give some facts and figures around the benefits of solar development, some of the barriers and opportunities going forward.

Ms. Dickens noted that since the full committee wasn't present it was decided to save the remaining items for the next meeting's agenda. She stated that the priorities discussion will be held during the next meeting. Mr. Laurent stated that if it would be helpful, he would be happy to participate at the next meeting.

Item #9 – NARC Website Release: February 10, PR: February 12

This item was deferred to the March 20, 2014 meeting.

Item #10 – In-Kind Services Contribution

This item was deferred to the March 20, 2014 meeting.

Item #11 – Next Meeting Scheduled for March 20, 2014

Mr. Flood asked if the members were to continue working on the recruitment list. Ms. Dickens stated that item will be discussed at the next meeting. Ms. Harp noted that she has a draft list; however, if there are any additions or changes she would be happy to amend the current list in order to reflect those changes.

Ms. Dickens suggested to staff that they send out an email reminding everyone to submit their lists.

Item #12 - Adjournment

The meeting concluded at 1:23 PM.