



# Keep Solar Affordable for Floridians

Solar energy is an amazing technology. Not only does it allow for cheaper and more sustainable power generation, it also gives us an unprecedented opportunity to put power back in the hands of the people instead of large energy companies, and creates thousands of well-paying jobs!

With the right policies in place, state leaders can increase the share of Florida's solar-produced electricity to help achieve a fully renewable energy-based economy by 2050. Unfortunately, electric utilities have made it their mission to weaken these incentives for solar customers. In order to achieve a more sustainable, resilient, and self-empowered future, we must protect policies like "net metering," which incentivize the spread of rooftop solar.

## Rooftop Solar

- Creates thousands of well-paying jobs for installers, electricians, and manufacturers. These jobs cannot be outsourced, and many do not require a college education.
- Promotes the electricity grid's efficiency and resilience to storms by decentralizing power production.
- Offsets the need for expensive and dirty energy production facilities such as coal or gas plants.
- Helps our state achieve critical renewable energy goals.

Rooftop solar plays a critical role in this transition, but currently less than 1% of Florida homes use this technology. There are only 70,000 solar installations throughout the state. Thanks to a combination of technological innovations, decreasing costs, and new financing options, the benefits of rooftop solar are becoming more affordable for Florida residents. While Florida residents stand to benefit from the expansion of rooftop solar, opponents see distributed renewable energy as a threat to their profits and control.

## Net Metering in the Sunshine State

The energy grid is the interconnected system that includes generators that produce electricity, transmission lines, and substations that get the electricity to where it needs to go. When a person or business installs solar panels on their property, there may be times throughout the day when their solar unit will produce more power than they use. When this happens, the energy produced by the person or business is diverted back to the grid for other customers to use.

"Net metering" refers to the practice that allows residential and commercial solar power producers to send excess power back into the electric grid in return for compensation. This extra solar energy can then supply nearby consumers while the small solar producer receives credits, which they can use to reduce their overall electric bill.

## How Net Metering Works

Rooftop Solar panels convert energy from the sun into electricity, and often produce more electricity than the panel owner can use.

Solar-power producers can return that power to the electric-grid to help power the homes of their friends and neighbors. The distributed network of clean solar power systems makes our electric grid stronger and cheaper, while protecting our shared environment.

We don't have a free market for energy in Florida, so solar-energy producers can't just sell the valuable energy they produce. They have to send that energy to their local utility company in exchange for reductions on their bill. That exchange process is called Net Metering.

Currently, state law requires investor-owned utility companies to compensate solar power producers at a fair retail price and prohibits them from harassing customers who go solar with extra fees, charges, and minimum bills (except for an initial setup charge).

# Net Metering Under Attack

Florida's major utilities do not like net metering. The more infrastructure large investor-owned utilities control, the more their business and shareholders profit. Customer-owned solar panels are a threat, not only to their profits but to their total control of the electric grid.

Although the legislature requires large, investor-owned utilities to offer net metering to customers, many of the more specific rules that utilities and customers must abide by are set by the Public Service Commission (PSC), which comprises five appointed commissioners tasked with regulating utilities in Florida.

Rules related to net metering are established in FPSC Rule 25-6.065. Some of the most important rules regarding how net metering operates include:

## Compensation Rules

There are two ways power companies can compensate small solar power producers:

**Retail Rates:** The utility provides the solar panel owners with credits equivalent to the sales price which the utility charges. This includes the cost of transmission.

**Avoided Cost Rates:** The utility provides solar panel owners with credits equal to how much it costs the utility to generate the same amount of electricity. This does not include the cost of transmission.

The FPSC currently requires utilities to compensate solar power producers at retail rates. A new bill which will go before legislators during the 2021-2022 session would reduce the rate at which utilities must compensate customers for the energy they generate.

## Production Caps

Currently, Florida residents can only install solar units capable of providing up to 2 megawatt hours of energy. However, certain utilities have established more stringent regulations for the systems which they approve for participation. For example, Florida Power and Light Co. only allows customers to install systems equivalent to up to 115% of their monthly electricity use. Some states have caps on the total amount of energy which can be produced and sold through net metering. This policy was set by the company itself, not statute or Public Service Commission rules.

## Insurance Requirements

The Florida Public Service Commission requires solar power producers who produce over 10 kW to obtain an up to \$1 million dollar liability insurance policy.

## FCV Recommendations

- The legislature must not pass SB 1024-Net Metering, which would critically injure the rooftop solar in the state
- The Florida Public Service Commission and Legislature should protect the will of Florida's electorate, which voted to preserve net metering protections in 2016.
- The Florida Public Service Commission and legislature should maintain current retail compensation rates offered to customers who install their own solar power units.
- The legislature should limit the ability of utilities to impose arbitrary capacity limits on newly permitted solar arrays, which prevent individuals and businesses from taking full advantage of their capacity to generate solar power.
- The Public Service Commission or legislature should establish a minimum timeframe for permitting of solar systems by utilities.
- Voters should contact their elected representatives to let them know rooftop solar matters!