



Dear Commissioners:

Please accept this letter on behalf of FREPA members which include biomass, solar and biofuel producers in Florida. Our association membership is also comprised of economic development councils, engineering firms and construction businesses eager to become a part of the renewable energy industry. We respectfully submit the following seven - point response to the PSC staff recommendations :

1. FREPA urges the Commission to focus the Renewable Portfolio Standard (RPS) language on the purchase or procurement of renewable energy so that there is an emphasis on attracting experienced and reliable independent power producers to the Florida market. Florida certainly needs more industry and jobs. Independent renewable energy power producers have flourished in other states and it is unfortunate that we may be proposing to do business as usual. FREPA members believe that the Commission's policy recommendations continue that precedent by giving preference to utility companies and creating an unfair playing field for independent power producers.
2. We respectfully urge you to reject certain Renewable Portfolio Standard (RPS) recommendations because they do not appear to reflect the well -researched analysis of the Navigant Study. The study findings clearly documented that the renewable energy potential in Florida will meet and even exceed the Governor's goal of 20% renewables by 2020.

FREPA firmly stands by our position that Florida should establish a RPS goal of 20% by 2020. In light of the Navigant Study analysis, FREPA recommends the following adjustments to our previously proposed RPS schedule:

- By January 1, 2010: 4.5 percent of the prior year's retail sales
- By January 1, 2015: 10 percent of the prior year's retail sales
- By January 1, 2017: 15 per cent of the prior year's retail sales
- By January 1, 2020: 20 percent of the prior year's retail sales

3. Our association opposes policy recommendations that will hinder, if not curtail, renewable energy development in Florida. For instance, the 2% cost cap for renewable energy generation seems inconsistent with what the Commission has done regarding other sources of electric generation, namely nuclear energy. While we certainly do not advocate the 25% cost increase passed on to utility customers as a result of cost recovery for nuclear power plant construction, the 2% cost cap appears arbitrary and designed to limit, if not prevent, independent renewable power generation in Florida. This policy will result in the PSC ultimately authorizing power producers based upon preference of power source as opposed to pricing.



4. Compliance mechanisms for enforcing the RPS are lacking. It is historically clear and well demonstrated nationally that an RPS is only successful when there are clear and meaningful compliance payments. Given the difficulty of jump starting this industry in Florida, it is critical that the PSC demonstrate vigilance and commitment through its regulatory authority via compliance mechanisms.
5. We suggest that the Commission make legislative recommendations for a timely and meaningful “Clean Energy Fund” also known as a Public Benefits Fund. Federal money targeted for renewable energy would best be used if such a fund were in place.
6. FREPA is alarmed by the PSC staff recommendations regarding nuclear power. Changing the Renewable Energy Portfolio Standard (RPS) into a “Clean Energy Portfolio Standard” is not only a departure from the spirit of the RPS discussions during PSC meetings but it disregards the law (as stated in HB7135). The statutory definition of renewable energy does not include nuclear energy, nor should it. FREPA acknowledges that nuclear power will be a part of our nation’s energy future while we continue to look for ways to improve upon it. However, nuclear power is not a renewable source of energy and, as such, should not be included as part of an RPS policy. Florida will certainly emerge as a “first” in the nation to redefine renewable energy in this regard. Consequently, redefining nuclear energy as a renewable has federal policy and funding implications as well as a potential negative impact on economic development. We urge the Commission to reject this recommendation.
7. Today (January 8, 2009), President -Elect Obama reiterated that the American Economic Stimulus Package would include investments into our electricity grid, so that we can have renewable energy provided in every corner of America. Many of our concerns place Florida on the opposite end of the direction our country is headed regarding economic development trends for the renewable energy industry.

Our association members advocate that the Commission remain true to the principles critical to Florida leading the Southeastern United States in developing a robust renewable energy industry. FREPA welcomes the opportunity to further discuss our response to the PSC recommendations. Thank you.