

Issue: Florida, Renewable Energy, Utilities

Renewable Energy a Nonstarter in Florida

Summary

While the Sunshine State is home to balmy beaches and sunny skies, its state of renewable energy production and consumption is dismal. Controlled by the Republican Party in the House and Senate for over 20 years, Democratic initiatives to launch energy-saving measures that would capitalize on the state’s natural solar and renewable resources have been overruled by the GOP, the same party funded by the utility companies whose interest would be harmed by seeking alternative forms of energy, regardless of how that impacts the citizenry and environmental future of the state.

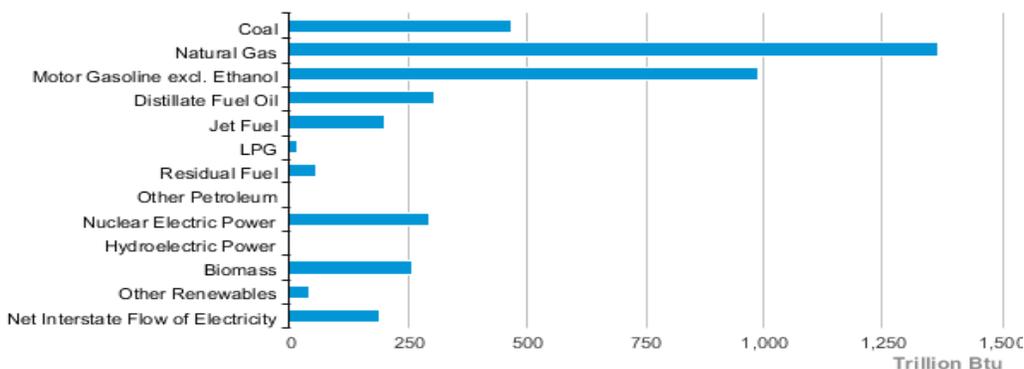
Power Players in Florida

Heavy Reliance on Natural Gas Dwarfs Renewables

Over 70% of Florida’s power comes from natural gas—the highest percentage in the nation, which is largely piped in from other states. Reliance on coal and oil has dropped since the early 2000s when the major utilities promised to diversify. As the advent of fracking made natural gas cheaper, oil and coal reliance dwindled in favor of natural gas: twelve years ago, 40% of Florida’s power came from natural gas; now it’s 70%. In recent years, as the price of solar technology has decreased, the utility companies have belatedly begun to invest more in solar. However, they expect to construct more than twice as many megawatts powered by natural gas in the next decade as by the sun. So, the reliance on gas will continue.

Regardless of the benefits to the state, renewable energy hardly makes a blip on the power scene in Florida. Wind is not a source. Biomass is the largest renewable source, but is small. Solar is growing, but still accounts for only 0.38% of Florida’s power. Florida’s largest utility, Florida Power & Light, gets 0.06% of its power from solar, 70% from natural gas, 17% from nuclear, and about 6% from coal and oil.

Florida Energy Consumption Estimates, 2015



 Source: Energy Information Administration, State Energy Data System

Florida Power & Light (FPL) and other Major Utilities

The large investor-owned utilities in Florida are Florida Power & Light (FPL), its parent company NextEra Energy, Duke Energy, Gulf Power, and Tampa Electric. FPL serves about half of Florida's residents and is the 3rd largest utility in the nation, making it a powerhouse able to throw its weight into essentially any economic or political realm.

Solar in Florida

The “Sunshine State” lags behind in Solar

The cost of installing solar panels in Florida has dropped, so the industry should be booming. Instead, Florida ranks 3rd in the nation for rooftop solar *potential* but 12th for cumulative *installed* solar capacity. This is a drop from 9th place since 2016. Florida's solar policies lag many other states. It has no Renewable Portfolio Standards (state goals to generate a percentage of power from renewable sources). Florida also does not allow Power Purchase Agreements, where a developer builds solar systems for customers and sells power to them. These are policies that have driven investment in solar in other states across the country. Florida does use net metering, despite attempts by the major utilities to shut down this practice. Under net metering, utilities buy back excess energy from customers created by solar panels on their homes/businesses.

FPL does have some plans to ramp up solar as a source for its power supply. Its first solar plant was built in 2009. From 2016 – 2023 they plan to add a total of more than 10 million solar panels across Florida, including about 1 million installed at three new plants that were switched on in 2016, and more than 2.5 million at 8 plants currently under construction. When the 3 new plants went online in 2016, they tripled FPL's solar generation capacity. FPL now has enough solar power for about 60,000 homes, or about 1.3% of the company's generating capacity. These plans represent some progress in solar, though still a small fraction of the power market.

Not surprisingly, Florida could offset nearly half its electricity needs through the expansion of rooftop solar. But this would threaten the utilities' profits because they don't own those panels or the resulting power. Instead, the customers do.

Proposed Amendments to Florida's State Constitution

Constitutional Amendment #1

Florida's Amendment #1, “Rights of Electricity Consumers Regarding Solar Energy Choice,” was a very high-profile amendment proposed to Florida's constitution on the 2016 ballot. It was backed and excessively funded by the big utility companies and was ultimately rejected by the voters.

The utilities formed a deceptively titled PAC called “Consumers for Smart Solar” and poured in \$26 million. FPL gave \$8m and Duke Energy gave \$6.7m, which were the 2 largest spends from single donors to a ballot initiative in Florida history. The opponents to the initiative were a group called “Floridians for Solar Choice,” comprised of solar manufacturers, environmentalists and Tea Partiers who felt that solar expansion was a good thing. They had initially proposed their own amendment to allow homeowners and businesses to sell their excess power to third parties, a practice allowed in all but 4 other states. This initiative never made it to the ballot.

The utilities and other backers of Amendment #1 promoted the measure as protecting consumers and encouraging solar expansion in Florida. But this was deceptive. The provision in fact would have

limited rooftop solar expansion by creating obstacles to competition by new solar companies, and would also have paved the way for the Florida legislature to end net metering. A key player in the push for Amendment #1 was Sal Nuzzo of the James Madison Institute, a think tank with close ties to the utilities and with funding from the ultra-conservative Koch Industries. The initiative fell apart after a recording was leaked of Nuzzo calling the amendment “an incredibly savvy maneuver” that “would completely negate anything they [pro-solar interests] would try to do either legislatively or constitutionally down the road.” The story went viral on social media, and the resulting scandal killed the amendment at the ballot box.

Constitutional Amendment #4

A different (pro-solar) constitutional amendment, Amendment #4, was passed by voters in 2016, which allows tax breaks for people who have installed solar and companies that lease solar equipment. Despite the best efforts of the utilities and the influence they have over the legislature (see below), the voters of Florida are choosing to march ahead toward solar expansion.

Utilities’ Ties to the Florida Legislature

Public Service Commission

Florida’s Public Service Commission (PSC) is the state government group that regulates power companies. It has made controversial decisions over the years, including rate hikes and deregulation moves. It has *never rejected a utility request* for a new natural gas plant. In 2014, the PSC cut conservation goals by 90% after the utilities argued they were hurting the economy. The same year the utility companies convinced the PSC to kill the state’s solar rebate program altogether.

The reasons behind these decisions appear to be political and financial. The major utilities have donated over \$165,000 to legislators who sit on the council which appoints commission members to the PSC (the PSC Nominating Council), or to officials who appoint those council members. The utilities let it be known to commissioners that a good job in the industry could await if they do the bidding of the power companies. At least 3 former commissioners are lobbyists for electric utilities in the state. Likewise, commissioners know they could lose their jobs if they push back too much. This is according to a former commissioner Timothy Devlin, ousted in 2011, who said 4 others lost their jobs in 2010. Earlier that year, those same commissioners voted to approve just 6% of the nearly \$1.3 billion rate hike proposed by FPL and rejected a \$500 million hike proposed by Duke Energy’s predecessor company, losing their jobs as a result.

Overwhelmingly Republican officials and PSC Nominating Council members who received donations from FPL, Duke Energy, Gulf Power, Tampa Electric Company, and/or certain oil and gas contributors (AGL Resources, Chevron, ExxonMobil, Florida Natural Gas Association and Koch Industries) include:

- Senator Joe Negron (R), President of Senate, 2016-2018 (selects council members) \$32,150
- Representative Richard Corcoran (R), Speaker of the House, 2016-2018 (selects council members) \$10,500
- Senator Andy Gardiner (R), President of the Senate, 2014-2016 (selected council members) \$20,300
- Senator Don Gaetz (R), President of the Senate, 2012-2014 (selected council members) \$7,400
- Representative Will Weatherford (R), Speaker of the House, 2012-2014 (selected council members) \$17,150
- Representative Mike La Rosa (R), Vice Chair of Council \$20,000
- Senator Kelli Stargel (R), Chair of Council \$16,650 (also ALEC state chair for FL)

- Representative Janet Cruz (D, House Minority Leader, D62), member of council \$10,500
 - Representative Mike Miller (R), member of council \$10,500
 - Senator Kathleen Passidomo (R), member of council \$13,750
 - Senator Bobby Powell Jr. (D, district 88), member of council \$7,500
- Total \$166,400**

Utilities' Cumulative Donations to Legislators

The major utility companies in Florida contributed \$12 million to the campaigns of state lawmakers between 2010 and 2015, \$10 million of which went to Republicans. Recipients include:

- Republican Governor Rick Scott's 2014 re-election bid (\$1.1m to 2 PACs)
- \$6.68m to the Republican Party of Florida
- \$1.8m to the Democratic Party of Florida
- Over \$100,000 each to: Florida Conservative Majority, Freedom First Committee, House Republican Campaign Committee

Utilities' Influence on Specific Laws

- HB1351 sponsored by Rep. Ray Rodrigues (R, HD76) was intended to implement Amendment 4 (tax breaks for solar customers) but included some additional red tape for solar companies under the guise of "consumer protection." Heavyweight utility FPL wrote verbatim some of the wording that was included in the bill. Rodrigues had just received a \$15,000 donation from FPL, days before his draft was finalized. Since 2015, Rodrigues' PAC has accepted \$29,500 in direct contributions from utilities.
- SB1238 and SB1048 are two utility-friendly bills that were fast tracked by Senator Frank Artiles (R, SD40, Chairman of the Senate's Communications, Energy and Public Utilities Committee). SB1238 would allow utilities to charge customers for exploratory fracking in other states. SB1048 would overturn a court ruling that limits FPL's development of power lines. Artiles' PAC received \$2,500 from FPL and \$5,000 from Duke Energy, plus large contributions through PACs impossible to trace. He also attended a fundraiser at a car racing event sponsored by FPL's parent company that raised \$10,000. (Senator Artiles resigned in April 2017 over a racial slur scandal).
- In 2015 and 2016, the Republican-controlled legislature failed to pass bills that would ban fracking. In 2016, some headway was made when Republican Senator Dana Young (SD18) sponsored a bill to ban fracking, which passed the Senate. However, it is currently stalled in the House.
- Rodriguez (mentioned above) has sponsored legislation to allow fracking for the past 4 years. Rep. Carlos Trujillo (R, HD105) has supported this legislation, even though his district includes part of the environmentally vulnerable Everglades, and has received \$23,000 in industry contributions.

Offshore Oil Drilling

The "Florida Favor" from Trump – a Gift to Republican Gov. Rick Scott

Shortly following the Trump administration's recent announcement on January 6, 2018 that it would broadly allow new offshore oil drilling in Federal waters, Interior Secretary Ryan Zinke suddenly exempted the waters off the coast of Florida and cited the influence of Republican Governor Rick Scott as the reason. Trump has been trying to woo Scott to run for the US Senate against Democratic incumbent Bill Nelson; and this move has been seen by many as a political gift to Scott. Drilling off

Florida's tourism-rich coast has long been unpopular among Florida residents. Scott himself was pro-drilling early in his stint as Governor but changed course when his position became a liability after the Deep Water Horizon disaster brought oil spillage to parts of the Florida coast. Now he claims to be against drilling, and can claim a political victory in this strange exception granted by the Trump administration, which has been referred to as "the Florida Favor."

Sources

Herald-Tribune 10/14/17- <http://www.heraldtribune.com/news/20171014/democrats-focus-on-district-72-special-election>

https://ballotpedia.org/Florida_House_of_Representatives_District_72

Solar Energy Industries Association- <https://www.seia.org/state-solar-policy/florida-solar>

Miami Herald 11/9/16- <http://www.miamiherald.com/news/politics-government/election/article113449438.html>

<https://cleantechnica.com/2013/06/25/solar-power-by-state-solar-rankings-by-state/>

Orlando Sentinel 4/6/16- <http://www.orlandosentinel.com/opinion/os-solar-amendment-beth-kassab-20160405-column.html>

The Architect's Newspaper 11/14/16- <https://archpaper.com/2016/11/florida-anti-solar-energy-law/>

Miami New Times 8/18/17- <http://www.miaminewtimes.com/news/florida-utilities-gave-166400-to-lawmakers-who-appoint-florida-public-service-commission-9594406>

Energy & Policy Institute- <http://www.energyandpolicy.org/florida-psc-nominating-council-interview-and-vote/>

Bradenton Herald 4/4/15- <http://www.bradenton.com/news/local/article34872393.html>

Miami Herald 4/5/17- <http://www.miamiherald.com/news/politics-government/state-politics/article142904899.html>

Food & Water Watch 4/10/17- <https://www.foodandwaterwatch.org/insight/fracking-interests-provide-flood-funding-florida-politicians>

Miami Herald 3/10/17- <http://www.miamiherald.com/news/politics-government/state-politics/article137829733.html>

Politico 1/9/18- <https://www.politico.com/story/2018/01/09/florida-senate-scott-trump-oil-drilling-333144>

Sun Sentinel 1/13/17- <http://www.sun-sentinel.com/business/fl-fpl-completes-solar-plants-20170113-story.html>

USA Today 12/10/17- <https://www.usatoday.com/story/news/nation-now/2017/12/10/sunshine-state-lags-solar-power-doubles-down-natural-gas/939466001/>

Florida Power & Light's website- <https://www.fpl.com>