

Commissioner Ray Judah

2120 Main Street

Fort Myers, FL 33901

(239) 335-2223

Dist3@leegov.com

Lee County, as an “Eligible Participant” would like to make comments on the five new PURPA standards defined by EPCAct 2005. The comments provided at this time are general in nature, however, Lee County will seek to have a greater understanding of the impact to the County during the upcoming process leading to the determination.

Below are the five sections of the PURPA Standards to be addressed followed by Lee County’s general comments.

1. *Net Metering.* Each electric utility shall make available upon request net metering service to any electric consumer that the electric utility serves. For purposes of this paragraph, the term “net metering service” means service to an electric consumer under which electric energy generated by that electric consumer from an eligible on-site generating facility and delivered to the local distribution facilities may be used to offset electric energy provided by the electric utility to the electric consumer during the applicable billing period.

Response:

Lee County would be in favor of net metering agreements that allows small

renewable energy generators to connect to the LCEC distribution grid without creating or causing a negative financial impact to the system owner. It is vital to our environment to advance the greater uses of renewable energy.

Net metering agreements that encourage greater self-generation benefit our residents, create jobs, positively impact our local economy and create good will among our citizens. Studies have shown that renewable energy creates more jobs than fossil fuel generation and have also shown that customers of electric utilities are willing to pay more for clean generation. The most efficient deployment models require participation from utilities for delivery and government that creates favorable regulations. As an example, small solar system generators of less than 20 kW will produce power during summer peaking periods and have a benefit to the distribution grid. In contrast, electricity produced from small photovoltaic systems is typically consumed within the customer's site and little is exported to the grid. Lee County is aware that many electric utilities throughout the country have agreements that do not negatively impact either the utility or the renewable energy generator. That balance is accomplished by having a reasonable agreement such as can be found in model agreements offered by the Interstate Renewable Energy Council. Model Net-Metering is available on their web site: www.irecusa.org. A simple agreement would credit the electric generation in kWh but never offer an exchange of currency. If a customer leaves the utility the credit is lost and no money is ever exchanged.

2. *Fuel Sources.* Each electric utility shall develop a plan to minimize dependence on 1 fuel source and to ensure that the electric energy it sells to consumers is generated using a

diverse range of fuels and technologies, including renewable technologies.

Response:

While LCEC may not be a generation owner, Lee County would seek to encourage LCEC to promote greater use of renewable fuels from generation used by LCEC customers. This can take the form of providing energy to end user customers on site or by specifying a renewable energy fuel (biomass or biofuels) to be used in existing generators. Standby generators located onsite and operated by LCEC could use bio fuels or establish solar water heating on customer sites with the energy sold to the customer. This, in turn, would be a new product offering that is renewable and has favorable economic returns to LCEC shareholders. This will serve to reduce the use of non renewable fuels, create fuel diversity, local jobs and keeps dollars that would otherwise be spent on fuels purchased from out of state locations and even out of this country.

3. Fossil Fuel Generation Efficiency. Each electric utility shall develop and implement a 10-year plan to increase the efficiency of its fossil fuel generation.

Response:

Where LCEC may have distributed generation, Lee County would like to see highly efficient generators that would utilize the combined heat and power to achieve the maximum efficiency from the precious fossil fuel being used. In other words, get more “bang for the buck” by utilizing the heat energy instead of it being lost as a by-product.

4. Time-Based Metering and Communications. Not later than 18 months

after the date of enactment of this paragraph, each electric utility shall offer each of its customer classes, and provide individual customers upon customer request, a time-based rate schedule under which the rate charged by the electric utility varies during different time periods and reflects the variance, if any, in the utility's costs of generating and purchasing electricity at the wholesale level. The time-based rate schedule shall enable the electric consumer to manage energy use and cost through advanced metering and communications technology. [This reflects the opening paragraph of the standard; the second paragraph of the standard lists some of the types of time-based rate schedules that may be offered; and the third paragraph provides that each electric utility subject to the first paragraph shall provide each customer requesting a time-based rate with a time-based meter capable of enabling the utility and customer to offer and receive such rate. The full text of this standard is available on the LCEC Web site www.lcec.net by clicking on the PURPA link.]

Response:

While the concept of time based metering is important, the incentive to take advantage of these rates and tariffs are the key to participation. Lee County would judge the success of such a program by the amount of load shaping that has occurred by customers in the LCEC service territory. Significant and sustained reduction and shifting of energy use will have an impact on the requirements for future generation. Lee County appreciates the efforts of LCEC in offering energy conservation programs and believes much, much more could be done. We would like challenge LCEC to commit to a demonstrable goal that is reasonable, understandable, measurable, believable and achievable.

5. *Interconnection.* Each electric utility shall make available, upon request, interconnection service to any electric consumer that the electric utility serves. For purposes of this paragraph, the term “interconnection service” means service to an electric consumer under which an on-site generating facility on the consumer’s premises shall be connected to the local distribution facilities. Interconnection services shall be offered based upon the standards developed by the Institute of Electrical and Electronics Engineers: IEEE Standard 1547 for Interconnecting Distributed Resources with Electric Power Systems, as they may be amended from time to time. In addition, agreements and procedures shall be established whereby the services are offered shall promote current best practices of interconnection for distributed generation, including but not limited to practices stipulated in model codes adopted by associations of state regulatory agencies. All such agreements and procedures shall be just and reasonable, and not unduly discriminatory or preferential.

Please note that LCEC purchases its full power requirements from Seminole Electric Cooperative, Inc. (Seminole) under a long-term full-requirements contract. For this reason, LCEC would not be able to implement certain PURPA standards, most notably Standards 2 (Fuel Sources) and 3 (Fossil Fuel Generation Efficiency). LCEC’s ability to fully implement other standards may be limited as well. LCEC notes, however, that Seminole follows policies consistent with Standards 2 and 3, which LCEC supports. Commenters are urged to take such limitations into account when presenting their views.

Response:

Lee County would be in favor of interconnection agreements that allow small renewable energy generators to safely connect to the LCEC distribution grid with

out creating or causing a negative financial impact to the system owner. Lee County is aware that many electric utilities throughout the country have agreements that do not negatively impact either the utility or the renewable energy generator. Studies show that distributed solar generation has, in fact, caused a benefit to the grids by reducing demand on the grid. Targeted deployment of solar energy relieves loads on the utility's transmission, sub-transmission, and distribution systems, thereby effectively increasing available T&D capacity. This relief allows utility T&D planners to defer capital investments in the T&D system. The economic value of these deferrals includes both the time value of money and the reduction in T&D system O&M costs.

A fare and balanced interconnection agreement is accomplished by having a reasonable agreement such as can be found in the California Rule 21 interconnection agreement or model agreements offered by the Interstate Renewable Energy Council. Model Net-Metering Rules and Interconnection Standards for Small Generators are available on their web site: www.irecusa.org.